

THE INDONESIAN QUARTERLY

Developments in Indonesia and Its Neighbours

Current Events

Review of Political Development

Articles:

- Trade Liberalisation in Indonesia:
Impacts and Issues
- The Non-Aligned Movement:
An Indonesian Perspective
- Australia-Indonesia Relations:
Regional Security Dimension

- ASEAN and India:
Dawning of New Partnership
- A Framework for Internal Regional Conflict
Resolution in the Southeast Asia Context
- Old and New Strategic Developments
in the Asia Pacific
- Reforming the United Nations:
What Has Been Achieved?

Book Review



The Quarterly

The Indonesian Quarterly is a journal of policy oriented studies published by the Centre for Strategic and International Studies (CSIS), Jalan Tanah Abang III/23-27, Jakarta 10160. It is a medium for research findings, evaluations and views of scholars, statesmen and thinkers on the Indonesian situation and its problems. It is also a medium for Indonesian views on regional and global problems. The opinions expressed in *The Indonesian Quarterly* are those of their authors and do not necessarily reflect the opinion of the CSIS.

The Logo



To better represent the underlying ideas that gave birth to the CSIS in 1971 the Centre uses as of 1989 the logo that figures on the front cover of this journal. The original, in bronze, designed by G. Sidharta, it consists of a disc with an engraving that depicts the globe which serves as a background to a naked man with an open book laid on a cloth over his lap, his left hand pointing into the book, his right hand raised upwards. Altogether it symbolises the Centre's nature as an institution where people think, learn and communicate their knowledge to whoever are interested, to share it with them, mankind the world over being their concern and the globe their horizon. The nakedness symbolises the open-mindedness, the absence of prejudice, in the attitude of the scholars who work with the Centre, just as it is with scholars everywhere. The inscription reads "*Nalar Ajar Terusan Budi*", which in the Javanese language essentially means that to think and to share knowledge are only the natural consequence of an enlightened mind. It is a *surya sengkala*, that is *chandra sengkala*, a Javanese traditional way to symbolise a memorable year in the lunar calendar, adapted to the solar calendar system. It consists in using words that express the perceived meaning of the commemorated year while marking the year at the same time, each word having a numerical value. Thus, the inscription, in reverse order, represents the year the CSIS was established: 1971.

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Contents

Current Events

- Elections in the Political System of the New Order
J. Soedjati Djiwandono 94
- The 1997 General Election: Actualisation of the People's Political Rights
Marzuki Darusman 97
- Australia-Indonesia Relations: Regional Security Dimension
J. Soedjati Djiwandono 142
- ASEAN and India: Dawning of New Partnership
Ganganath Jha 152
- A Framework for Internal Regional Conflict Resolution in the Southeast Asia Context
Aderemi Isola Ajibewa 167

Review of Political Development

- Riots and the 1997/1998 Draft State Budget
T.A. Legowo 102
- Old and New Strategic Developments in the Asia Pacific
Jusuf Wanandi 185

Articles

- Trade Liberalisation in Indonesia: Impacts and Issues
Herry Darwanto 110
- The Non-Aligned Movement: An Indonesian Perspective
Nana S. Sutresna 128
- Reforming the United Nations: What Has Been Achieved?
Omar Halim 196

Book Review

- "Political Message" to Indonesia
M. Abriyanto 207

Current Events

Elections in the Political System of the New Order*

J. Soedjati Djiwandono

IN the formal sense, a general election every five years has now formed part of democratic tradition in Indonesia since the onset of the "New Order" regime over three decades ago. By contrast, before the New Order, Indonesia had only once held a general election, namely in 1955.

From the point of view of substance, however, whether the election really constitutes a progress in Indonesian democratic life is questionable. And thus it is debatable if the present democratic life is better than at the time when the 1955 general election was held. It certainly depends on the set of criteria used.

The most important state institution resulting from the general election is the People's Consultative Assembly (MPR), which according to the Constitution fully exercises the sovereignty of the people. However, although the MPR regularly elects a President during the last three de-

cadec, so far the candidate for President has always been the same man. Furthermore, the voters never have a part whatsoever in the nomination of a candidate for President when they cast their votes at the general election. Since the political parties never (dare to) make a commitment to nominating a candidate for President during the pre-election campaigns, the votes they cast for the political parties practically amount to *carte blanche*, at least in this regard. In fact, without such a commitment, the so-called programmes (election platforms) offered by the contesting political parties during the campaign have no significance. And in consequence, the term "programme-oriented" applied to the political parties is also meaningless.

However, for many people in developing countries the general election is a form of political education, particularly in the exercise or practice of democracy. To learn to swim one must jump into the water. Still, the usual high turnout does not necessarily indicate a high degree of political consciousness on the part of the

* Adapted translation of the original paper titled "Pemilu dalam Sistem Politik Orde Baru", presented at a National Seminar in Jakarta, 3 September 1996.

electorate. In Indonesia, the right to vote is still generally considered as an obligation of a "good citizen". The government itself has always called the election as a "festival of democracy". Thus some people may go to the poll more for fun than out of their awareness of their democratic rights and obligations. Others, particularly civil servants, go to the poll because of pressure to cast their votes for the government party, Golkar.

More important is the question whether the general election as a democratic institution will contribute to a better functioning of the democratic system based on the 1945 Constitution. To assess this, the same criticism launched by General Soeharto then as Acting President in his first state address before the Provisional House of Representatives (DPR-GR) on 16 August 1967 to commemorate the 22nd anniversary of the proclamation of Indonesian independence against deviations from the 1945 Constitution perpetrated by the late President Soekarno with his "Guided Democracy" may be applied now to the New Order itself. The New Order was then defined as a "total correction" to all forms of deviation by the "Old Order" from the 1945 Constitution, including the ideology of *Pancasila*. This has been the basic legitimacy of the New Order regime.

It was argued, for example, that the President was not subordinated to MPRS (the Provisional People's Consultative Assembly), but quite the contrary, the MPRS was subordinated to the President as mandatory of the MPRS. However, the same tendency has now developed under the New Order. In fact, more than half the members of the MPR are appointed by the

President. Furthermore, a number of government officials, especially incumbent ministers are also appointed as MPR (People's Consultative Assembly) members, most of whom would dominate the Working Committee of MPR in charge of preparing drafts of MPR decrees and decisions.

It seems clear, besides, that those representatives of the people lack moral courage to speak their minds. Before their candidacy for DPR (House of Representatives)/MPR well before election campaign they all have been politically screened through the so-called *litsus* (special screening) as an instrument of government control over the nomination of candidates. In addition, the right of recall of DPR members by their respective political parties may have contributed to their lack of courage to express their views openly and independently for fear of losing their membership. For many of them, this may mean the loss of their livelihood.

In other words, just as under the Old Order, under the New Order power is increasingly concentrated in the hands of the President, who is more and more beyond control by the House of Representatives. Indeed, exactly the other way round is true. The DPR is increasingly incapable of controlling the administration of the government. The existing political system does not provide an effective mechanism by which the DPR exercises control over the executive. The government gets away with whatever it wants to do.

Furthermore, the DPR never initiates legislation, although some mechanism is yet to be created to overcome a deadlock in the event of its failure to get the Pres-

ident's approval of a bill it initiates. In fact, its own rules of order at present has made it very difficult, if not even practically impossible, to use the right of initiative.

Thus, as long as both institutions are maintained, other things being constant, a change for the better concerning the quality of the people's representatives seems highly improbable in the near future, perhaps even after a number of general elections. As is the case with the *surat berke-lakuan baik* (letter of good conduct issued by the police) and *surat bebas Gestapu* (letter of non-involvement in the abortive communist coup of 1965), *litsus* is against the principle of presumption of innocence. What would happen if not a single candidate agreed to undergo the *litsus*? This is just a dream, of course. There are always those among millions of Indonesians who agree to be treated in such a demeaning manner.

It is understandable, therefore, that the increasing popular demands for greater openness and freedom of speech and assembly for the last few years do not seem to find their proper and effective channel in the sense of having any effect on decision-making. On the contrary, criticism of the government or the way the system is working or being manipulated to be exact, have been faced with harsh reaction from those in power, who are prone to responding by launching such absurd allegations as being "against *Pancasila*" or the 1945 Constitution, being "communist influenced", and worst of all, of "insulting the head of state".

Democratisation is certainly a never-ending process with all its ups and downs.

At present, democratic life in Indonesia is at a very low point. The existing political system is not working fully and properly. What is needed, therefore, is political reform aimed at making the system function better and more fully. The system needs re-vitalisation.

Political reform would mean, above all, giving a number of constitutional provisions their operational value. A case in point has been referred to earlier, that is, a function of control over the executive by the DPR, for which a mechanism needs to be created for its effective implementation. Another would be the provision on the re-election of the President, which does not elaborate on how many times he can be re-elected, something that has given rise to the endless issue of succession. Still another would be the need to create a mechanism for judicial review. These are just some examples.

The MPR, being the supreme governing body that fully exercised the people's sovereignty in the Indonesian political system, would be the institution with the power needed to initiate reform, preferably in the form of constitutional amendments. It is therefore doubtful if the next MPR would be well-disposed to reform. Perhaps several more general elections will be needed, with proper political education in the meantime, before Indonesia has the kind of MPR with members that would have proper understanding of, and realise the need for political reform, have the necessary knowledge, skills, and moral courage to initiate it.

That is what may be called the operational aspect of reform. Of no less import-

ance will be the conceptual aspect. This refers to the need to review certain concepts that relate to what those in power like to call "the nation's cultural values" or the nation's "identity" such as "*Pancasila* democracy" and the "family principle", which have no operational value. In fact, they are so vague and ill-defined that government leaders are inclined to use them primarily as a defence mechanism against criticism to justify their actions and to maintain their power.

The most difficult would be reform in mental attitude. A modern democratic system would demand not only some degree of knowledge and certain skills, which in turn would require training and education. It also demands certain kinds of mental attitude, which relate to a nation's cultural heritage that help create its political culture. This is not to suggest the abandon-

ment of all the nation's cultural and traditional values. It does suggest, however, discretion. Certain mental attitudes stand in the way of progress in terms of efficiency and effectiveness in modern democracy. One reason for the general aversion to voting, for instance, seems to be that losing vote among many Indonesians is regarded as "losing face". To speak of succession, particularly while the incumbent is still well and alive, is regarded as "unethical", let alone to nominate another or a second candidate for national leadership, which would require voting.

Indeed, there is a lot to learn for the nation in its journey towards democratisation. And that would need time, courage, and humility. Democracy, after all, is the most costly and inefficient system. Yet we have no choice if we really have respect for human rights and dignity.

The 1997 General Election: Actualisation of the People's Political Rights*

Marzuki Darusman

THE right to vote is part of human rights, which has been recognised by the international world. Both the UN Declaration on Human Rights and the International Convention on Civil and

Political Rights (which have not as yet been ratified by Indonesia) spelt out clearly the right to free election as human right. Meanwhile the Vienna Declaration (1993)

*Adapted translation of the original paper titled "Penyelenggaraan Pemilu 1997 yang Luber dan

Jurdil Sebagai Aktualisasi Hak-hak Politik Rakyat", presented at a National Seminar in Jakarta, 3 September 1996.

states that human and fundamental rights are natural rights which should first and foremost be safeguarded by governments.

It is noticeable that the right to free election as human right in Indonesia is still exercised with the notion of right as a gift from the state. The General Election Act, though it has been laid down on the basis of the *LUBER* (*langsung, umum, bebas, rahasia* = direct, general, free, secret) principle, still lays the emphasis of ideology and statehood on the administrative right to use it and not merely on the actual (political) exercise of the right to free election as human right. For example, in the dictum of the consideration of the rule of law on general elections (at the beginning of Act no. 15/1969, which was thereafter changed three times) it is stated that general elections are not only intended for the election of representatives of the people, but also for the victory of the New Order and the realisation of *Pancasila* (the five principles) and the 1945 Constitution. The ideal aspects which are usually implicitly stated, such as the state philosophy and the Constitution, are made explicit so as to give the impression as if they are competing with -- or even sometimes dominating -- the aspect of democracy rather than the political process.

In practice, whether or not the right to vote is a gift or human right does not seem to bother the people, because the opportunity once every five years to do something similar to voting is felt to be adequate enough. Hence the question of whether or not the right to vote has been met optimally, is not or has not been answered or has not as yet become a problem today. The acceptance of the

political condition just as it is, has profoundly given the process of general elections a special characteristic (which appears to be semi-competitive) which is in fact a central political institution in the idea of representational democracy like that adopted by Indonesia. That condition has also resulted in the general elections being regarded as a functional mechanism rather than a political actualisation process. Various human right problems related to the execution of general elections depict the political condition, which includes social life posing a challenge to the upholding of Human Rights, political fairness and impartiality. If the right to vote is optimally recognised and honoured as human right, the criticisms directed to the general election will not be directly related to the dimension of its credibility, such as, for example, the problem concerning the fairness and impartiality of its execution. Furthermore, real high esteem, or even very conspicuous esteem in the positive sense of the word, with regard to the citizens' right to vote will really decrease the inclination to touch, and to tamper with various aspects of the process of exercising the right to vote, including the results of counted votes.

The honouring of the right to vote also means that legal and legitimate efforts by any institution in the life of state and nationhood to influence the exercising of the citizens' right to vote are really made politically and not in a non-political or even anti-political manner, namely by means of force, either covertly or openly.

Accordingly, allowing the exercising of the right to vote cannot be viewed in isolation from the upholding of other po-

litical rights i.e. freedom of thought, freedom of religion, freedom of expression, freedom of speech and of the press and the freedom to assemble. Because, if all the norms of freedom can be realised or actualised concretely in social life, more leeway and political structure will be created for political actions. The existence of political leeway will in turn enable the process of democracy to become, as some sort of common decision making system based on a consistent and authentic process of deliberation. It is in the framework of the political structure, as far as the political structure is open in nature, that the dynamics and process of democracy grow and develop.

The right to vote will be exercised if human rights are fully honoured and put forward as recognized rights inherent in and possessed by every human being as sheer human being and is not regarded as something given as facility by the state, which may one day be revoked. Honouring human rights also means that the criticisms concerning the fairness and impartiality of the general elections that is *Luber* will diminish if the general elections have gained democratic credibility.

If the performance of general elections gains credibility, the general elections may serve to function as an effective instrument for the political legitimacy of the government. Even though the system of general elections benefits the socio-political organisation that has become the government's preference, the credibility of the performance of general elections will make the result of the polls acceptable. How can the credibility of general elections be

measured? Perhaps some notions or practical political concepts can be applied to describe the extent of the credibility of general elections. The notions and concepts, namely the quality of openness, reputation and participation in fact apply to the evaluation of credibility rather than the political system as a whole.

First, is the notion/concept of openness. In the actual context of the politics of general elections, openness may be indicated by a change/development in the pattern of the collected votes of the three political organisations participating in the general elections (OPP) within certain limits, namely:

1. How far do the votes gained by Golkar (Functional Group) constantly fluctuate around a certain level of votes percentage (for instance, within the limits of five-ten per cent) which constantly place it at a relatively stable position as the principal majority. The notion of Golkar refers to an independent and democratic Golkar in its functional relationships, in which the majority substance can be measured. The relationships have to exceed mere historical bonds, especially in its relations with ABRI (the Indonesian Armed Forces), which seems to be structural cause of Golkar's lack of independence so far. The formation of a majority has to become a possible opportunity in an open general election process. In the context of a certain issue, which is in this case the political context of national majority that may become natural majority and may stimulate the dynamics of mainstream politics. Besides giving support to Golkar, the voters must at the same

time be able to convey their message of criticism to the Functional Group in the form an increase or decline of the number of votes collected without really destabilising its superior position of natural majority. Golkar's natural majority at present is due to the fact that for the average Indonesian it is the easiest way for himself/herself as Golkar member.

2. How far would the pattern of collected votes, which as it were would standardise consecutive sequence of winners as the formula of political stability since the 1971 General Elections, namely Golkar (Functional Group), PPP (*Partai Persatuan Pembangunan*/United Development Party) and PDI (*Partai Demokrasi Indonesia*/Indonesian Democratic Party) respectively occupying the first, second and third positions, not restrict the possibility of a sequential change resulting from a democratisation process? How far, in particular, is the possibility of the second position being occupied by PDI without having to assume that the shift of PPP to the third position would not bring about strategic complications to the perception of diminishing participation of the Islamic community in Indonesia's national political life.

Second, is the notion of reputation. The credibility of the general elections is also determined by the reputation of clean performance. This may be considered as the most important factor presently, when there is an impression of fluctuated credibility as regards the public institutions. Clean general election means that there are no violations of the provisions of the gen-

eral election law, no/minimal form of any pressure to influence the citizens right to vote, and no indication of efforts in manipulating the number of collected votes. It follows that the alternative means that is legal and legitimate to influence the citizens' votes is used politically and openly through a competition of forming public opinion. On the one hand, this means extending the scope of applying basic civil and political rights to liberalise the dynamics of democracy inherent in it. On the other hand, it also means to optimally use all infra-structures and political communication facilities existing in society by the government and socio-political institutions. This organised political effort is to project the views and visions of each institution in the minds and feelings of the public with the expectation and calculation that it may influence the political choice of each citizens personally. Accordingly, it is obvious that forming public opinion is in fact a fundamental political right.

Third, is the notion/concept of participation. Participation may refer to effective relations between voters and the respective socio-political organisations participating in general elections (OPP). The credibility of general elections is not only realised during the polls. The decision to cast a ballot for one of the OPPs needs to be followed by continued institutionalised relations between voters and the OPP concerned and the elected representatives. Consequently, there will be a "socio-political control" relation, which will become input in the process of formulating the policy of the socio-political organisation concerned that will be contested in the forum of the representative institutions.

At present the OPPs have not as yet been utilised by social institutions and organisations in forwarding their respective interests politically. There are as yet no real, regular, continued and professional efforts in developing political effort groups in the framework of "reminding" the socio-political organisations of the voters' support during the general elections. Fairness and impartiality in politics always constitute a process directed towards forming political credibility. They are not merely the product of one or two separated events. A fair and impartial general election has to be placed in the light of an overall fair and impartial political process. Measuring the fairness and impartiality of the performance of general elections by merely basing on empirical reality of a decline in the majority votes seems superficial because the opportunity to create a majority in an open political constellation should basically be accessible for any socio-political organisation.

The 1992 General Election is an interesting phenomenon which showed the capability of the existing system of general elections to record changes in the minds of the people. The decline of votes gained by Golkar and the increase of votes collected by PPP and PDI depict the broader possibility for shifts of sequential position in collecting votes. If there are further efforts in improving the performance of general elections (such as that assigned to LIPI/Indonesian Institute of Sciences by the President), it is necessary to make it publicly known. Its importance lies in the extent of how far the new system may guarantee the formation of a democratic majority which will always be needed as political substance in Indonesia. The problem lies in improving the quality and performance of the political actions. Political fairness lies in the fact that supporting any socio-political organisation is still an open choice.

Review of Political Development

Riots and the 1997/1998 Draft State Budget

T.A. Legowo

TWO major points of Indonesia's political development from December 1996 to February 1997 are of interest at least in the sense of their correlationship. The *first* is the series of riots spreading throughout Indonesia from December 1996 to February 1997. Whatever the reasons behind the riots, they obviously indicated that there were serious social and political problems at the community level that had been left out by the Indonesian State and its "success story" of economic development. The December riot seems to top all riots that happened during the months of the 1996 in which no comprehensive solutions had been likely applied to those riots.

Second is the 1997/1998 Draft State Budget (*RAPBN*). In his Address introducing the Budget (*RAPBN*) before the House of Representatives on January 6, 1997, President Socharto urged among others that one of the many strategic (environment) factors that should be carefully considered in formulating the budget was the fact that the 1997/1998 fiscal year would

be "the years of politics".¹ In fact, in those years Indonesian people will involve in two major (national) political events, i.e. the 1997 General Election (May 29) which will elect 425 members of the House of Representatives, and the 1998 General Sessions of the People's Consultative Assembly (March 1-11) which will formulate Guidelines of State Policy (*GBHN*) and elect a new President and Vice-President for the period of 1998-2003.

However, the question concerning the meaning of the years of politics whether it indicates a fundamental and strategic shift of orientation and treatment of the New Order government toward Indonesia's political development remains. If it does, could not one argue that this is the government's positive response towards all social-political riots that happened during 1996? Or, one may suspect that this would be merely a matter of increasing government's popularity for the interest of the 1997 General Election and the 1998 General Sessions.

¹"Presiden: 1997/1998 Merupakan 'Tahun Politik'," *Bisnis Indonesia*, 7 January 1997.

December-February Riots

Prior to December 1996, there had been twelve social riots and mass violence in several places in Indonesia. Seven more riots occurred during the period of December 1996 to February 1997. Although each riot had respectively a different character in social, economic or political terms, they clearly indicated the increasing tension of societal life concerning not only community groups interrelationship but also government (state)-community relationship.

On December 24, 1996, in Dili, East Timor, approximately 20,000 Timorese when welcoming the arrival of Bishop Bello, who had received a Nobel Prize Award were doing destructive actions around the city of Dili. This incident resulted in eleven civilians being injured and one military member dead. One may suspect that one of many possible reasons for the Timorese to do such destructive actions was the dissatisfaction of Timorese toward the government's "no appreciating response" to Bishop Bello as a Nobel Prize winner.

On December 26-27, 1996, mass violence and riots exploded in Tasikmalaya, West Java. The two-day riot was ignited by a report that three teachers from an Islamic boarding schools (*pesantren*) were beaten in police custody. The teachers had been summoned because the son of one of the officers had been punished by the teachers for stealing at school. But, the report developed into racist and sectarian sentiment which stimulated mass violence. The violence had left four civilians dead; 13 places of worship, 89 shops, 16 local police stations, 4 factories, 4 schools, six banks, three hotels, and tens of civilians'

houses, cars and motor cycles either damaged or burned.

On December 30, 1996, another riot took place in Sanggau Ledo, Sambas, West Kalimantan. The riot was instigated by the physical brutality of a group of Madurese people against two native Dayak people who were accused of having harassed a Madurese girl. This had developed into a massive ethnic conflict between the Madurese who originate from Madura Island in East Java and the native Dayak people, spreading over several regions in West Kalimantan, i.e. Senga Timila, Pahau-man, Siantan and Sosok. Although several efforts to solve the conflict had been initiated by local authorities, the riot lasted over thirty days (the tension subsided in February 1997). The riot resulted in thousands of residents taking refuge, hundreds of houses either being burned or damaged and many people either Madurese or Dayak being killed.

On January 27, 1997, a violent physical clash between hundreds of roadside vendors and city public order officials occurred in Tanah Abang, Jakarta. The violence, which erupted at 10.30 a.m., started after public order officials had raided the vendors, confiscated merchandise and arrested one of the vendors. The vendors then attacked the patrol vehicles while the officials escaped on foot. The vendors pelted the officials' cars with anything they could find, turning them upside down, and setting one on fire. The situation became more critical as the angry traders, swelled by other people into a 500-strong mob, rushed to the Tanah Abang district head's office on Jalan K.H. Mas Mansyur. There they overturned a car belonging to the

deputy head of the district, and burned it. After burning the car, the rioters proceeded to the district head's office, doused the building with gasoline taken from the cars, and torched the three story building. The violence left no casualties, but two municipal buildings and seven cars were either burned or damaged.

On January 30, 1997, a mass violence erupted in Rengasdengklok, West Java. The violence originated from a quarrel between a Chinese women, called Go Wie or Giok, and a group of youths making noise to wake Moslem residents for the pre-dawn meal (*sahur*) -- taken before fasting all day -- around 2.30 a.m. (January-February 1997 was the fasting month for Indonesian muslims). The 49-year-old woman shouted at the youths; a fierce quarrel erupted and later stones were hurled by both sides. Several hours later around 100 youths and other residents gathered and attacked the woman's house. The mob which swelled to around 3000 moved around the city, committing violence elsewhere. The violence caused no casualty, but two viharas (Buddhist prayer houses), four churches, 26 cars, 79 residents' houses, four factories, two private banks, 72 shops, a cinema and a school building were either burned or damaged.

On January 31, 1997, a labour unrest took place at the PT. Kahatex textile manufactory, Sumedang West Java. The unrest involved 5000 labourers of the factory. The labourers demanded the payment of the bonus for the Idul Fitri celebration which had not been paid by the company. Since there was no positive response from the company's executive officers, they started burning and damaging whatever in-

ventories of the company they could find. This destructive action stopped when the company agreed to discuss the demand with the labourers' representatives. The result of the discussion was that the company accepted 75 per cent of the demand which would be paid within a week.

On February 21, 1997, another riot occurred in Ambeno, East Timor. The Friday's riot was sparked by an alleged insult to a local Catholic priest. The angry mob burned down a market, set fire to 86 houses belonging to the Bugis community, and destroyed three cars and four motorcycles. The riot had caused a number of Bugis people homeless, and a number of school teachers from outside East Timor consider leaving the regency.

If one looks carefully at all December-February riots, one will come to a conclusion that in any case small incidents may cause mass-violence; and when this happens, anything could be the target of the violence in general, and those belonging to minorities in whatever terms could be the victims in particular. The fact also indicates that in most cases there were no logic causal relations between the cause that triggers off the incidents and the effects of the violence. This may raise a basic question as to why people in Indonesia currently could become so easily "brutal" or "violent" even though there were actually no serious reasons to do such violent actions.

As to the cases of East Timor especially, one may argue that whatever have triggered those two riots, they were just other obvious indications of many unsolved problems in East Timor that require imme-

diate and comprehensive solutions from the Indonesian government before some other mass destructive actions occur again in this region. The problems may vary ranging from how to alleviate people's poverty of the region to how the Indonesian government deals with the International pressures for self-determination of the East Timorese.

In the light of a more general view and analysis, the first thing to note is that the December-February riots were the culmination of various problems in Indonesian society, including legal injustice, social tensions and gross wealth disparity. As an Indonesian sociologist has observed, "the causes of the incidents are not to be found within Islamic, Chinese, Christian or Buddhist cultures. We should rather examine the current political and economic situation as the product of government policy".²

It is evident that during the New Order government the role of the political elite in the formation of the legislative body, political parties, mass and professional organisations has been quite dominant leading to the grassroots being left with little opportunity to articulate their interest. There are also doubts regarding the independence of these institutions. The government has always attempted to integrate the leadership of the institutions into the existing political regime. This is what political observers call "the corporatist strategy". Within the framework of this strategy, the government establishes and controls patterns of interest representation which link different segments in society and the state.

However, as social and economic upward mobility takes place as the result of the successful economic growth, political cooperation and patronage under the framework of corporatist strategy become a problem rather than a solution. Since the political system is not equipped to accommodate the rise of new expectations and demands, interest articulation from below is never effective or at best manipulated by the political elite. The riots could be just the reflection of a situation in which more and more members of society may find no social and political channel to vent their frustration; they see that there is something wrong with their society but could do nothing about it. From the perspective of political sociology, pent up emotions due to social frustrations and political powerlessness could be easily transformed into radical violence. The target of this violence could be the government itself or political and economic groups whose interests are associated with the ruling elite. The alienation of the grassroots could nurture the seeds of political extremism and radicalism.³

Meanwhile social frustrations might be the result of government economic policy which lays the emphasis on economic growth rather than on equal distribution of income. The widening social-economic disparity between the rich and the poor might be unavoidable in such policy. The small become smaller, and the big are getting bigger. An indication of this unfortunate development, as one analyst observed, is reflected, as an example, in gross income disparity in Tasikmalaya and the

²See *Jakarta Post*, 4 February 1997.

³Aleksius Jemadu, "Indonesia's Nation-Building Process at A Crossroad", *Jakarta Post*, 3 March 1997.

neighbouring Ciamis, where powerful retailers are prospering faster than the majority of the population. The big retailers only looked at the commercial feasibility and not at the social feasibility when they arrived in the area. It was clearly shown in most of the incidents that a number of major department stores were the arsonists' and looters' targets in the unrests.⁴

Disparity in wealth might also be a result of the lack of competition in the economic field. The competition between societal groups goes on despite the unevenness of the competition. Only several particular groups in Indonesia have been given the opportunity and, therefore, have the capacity to compete. Projects worth billions of rupiah, for example, always go to one of those particular groups. This is not fair, and it easily increases other groups' jealousy. This unfair condition will just be waiting for a small incident to spark off unrest or mass violence.

The 1997/1998 Draft State Budget

It is only reasonable when entering the new year of 1997 one hopes that after experiencing a series of incidents in the 1990s, when they clearly indicated Indonesia's serious problems in all fields of societal life, there would be government's positive responses of overcoming the problems. There are of course many ways of how the government manifests its positive responses. For this reason, one may expect that these responses will be realized in the 1997/1998 Draft State Budget introduced by the government before the House of Representa-

tives on January 6, 1997. We need to look at the Budget closely to see whether or not there are such responses in it.

The structure of the 1997/1998 draft budget seems to be very similar to the current state budget (1996/1997), which is based on a conservative fiscal policy. Although the nominal amount of the draft budget has passed over "the psychological number" amounting to Rp 101,087 trillion which means that it has a 11.6 per cent nominal increase from the current state budget which is only Rp 90,616 trillion, it would not have a significantly expansive impact on the economy.⁵ As Mari Pangestu puts it, the budget "represents business as usual".⁶ *First* is the relatively low real increase. While the real increase in the budget is slightly higher than that of the previous years, which stood at 5-6 per cent, it is nevertheless still a relatively low growth. In any case, since the government's consumption and investment only accounts for around 20 per cent of gross domestic product, the net direct effect on growth of the economy from the budget is relatively small.

Second, fiscal policy is being targeted to ensure the macro-economic stability. The 1997/1998 budget has a similar contractionary domestic impact as the previous budgets (i.e. estimated as injection of rupiah is measured by routine expenditure net of foreign, minus rupiah taken out of domestic economy through taxes or non-oil revenues). In terms of the domestic impact on the economy, the 1997/1998 budget

⁴See *Jakarta Post*, 28 December 1996.

⁵*Jakarta Post*, 7 January 1997.

⁶Mari Pangestu, "Score Card for the 1997/1998 State Budget", *Jakarta Post*, 8 January 1997.

is slightly less contractionary at Rp 5.4 trillion compared with Rp 6.6 trillion in the current 1996/1997 budget and in the 1995/1996 budget.

Third, this budget also prioritises infrastructure building, social welfare and decentralisation. The 10.8 per cent increase for routine spending in the draft budget has actually opened up the possibility of 12.8 per cent increase for development spending (Rp 28,93 trillion) from the current budget. This is not, however, a surprise if one looks at the development spending of the current budget which is around Rp 34,50 trillion which means 15 per cent increase from the previous (1995/1996) budget. This explains that development spending of the draft budget is still relatively conservative.

Other than business as usual, however, one may find out some interesting features that may disclose the political nuances correlately linking the budget with what is stated as "the years of politics". The distribution aspect of the draft budget may indicate a fundamental shift of development orientation carried out by the government. In this sense, one may realise that most spending of the budget is planned to be used to eliminate poverty and at the same time to increase the quality of human resources of Indonesia.

Through a new Presidential Decree (*Inpres*) of Additional Foods for Primary School Students Program (PMTAS), for example, the government plans to increase the quality of nutrition and health of primary school students which may improve the intellectual capacity and physical resistance of the students. The *Inpres* would cover around 7.4 million school

children in 49,000 public and private primary schools. It is hoped that the program would bring about much brighter and healthier Indonesian new generation. One may expect that the socio-economic use of the *Inpres* could be much more valuable compared to spending the amount of 265 billion rupiahs.

The budget also gives considerable allocation increases for the following sectors: population and family welfare (110 per cent), social and public health (53 per cent), labour force (44 per cent) and, cooperative and development of public enterprises (37 per cent). There is also a big increase of 42.2 per cent in the allocation spending for civil servants. This means a nominal increase from Rp 710.3 billion to Rp 1 trillion, or an absolute increase of Rp 300 million. It is an extraordinary increase for the usual average increase of 15.9 per cent for this sector in previous years. The allocation spending of domestic goods also enjoys 35.5 per cent increase. The government argues, the increase is due to the timing when are required some considerable funds for the maintenance of the development projects initiated in the PELITA (Five Years Development) I and II.⁷

It also seems that the government give special attention to decentralisation programs which may be one way to promote efficiency and equality of the national development process. The 1997/1998 draft budget allocates 45 per cent (Rp 3.5 trillion) of development spending for the decentralisation or regional autonomy programs. It means an increase of 19.9 per cent,

⁷*Tirias*, 16 January 1997, 23.

or an absolute increase of Rp 0.5 trillion from the previous budget. The program will concentrate on sectoral transformation of the allocation use of Dati II development. Regional development programs which until recently are carried out by the Ministry of Public Works, will be transformed to the governments of DATI II. Meanwhile, the Inpres of DATI I which gets an increase of 16.7 per cent will be allocated to cultural and sport development in the region (Rp 14 billion), and regional infrastructures development (Rp 27 billion).

It should be admitted that the government's plan to lay down new programs has emphasized a commitment to eliminate absolute poverty in the country. However, it is obvious that the problems of social-economic gap and poverty could not be solved merely through the budget mechanism. Most social-economic disparities are much more structural rather than social in nature because of discriminative treatments by the government toward different groups within the society. Without any serious effort to abolish government's discriminative treatment, and any systematic step to decrease structural barriers that hamper the development of the majority group of society, the budget mechanism solution would be a very partial effort.

Take the case of the family welfare and population program which received the highest increase of 110.6 per cent, as an example. One may argue that the program is likely in line with the government's commitment to improve the quality of human resources, and to alleviate society from poverty. But, as one political-economist suggests, one thing that should have serious consideration and attention, however, is

the allocation of the budget program and the identification of targeting the poor. The draft budget came out with a number of 22 million of poor people in 1996. But if one looks at the 1995 SUSENAS (Social and Economic National Census) the number of poor people in Indonesia was 25 million with the poverty line of Rp 900,- in urban areas and Rp 600,- in rural areas per day. If the poverty line was to be increased to Rp 1000,- per day, the number of poor people would pass dramatically over 77 million. This means that in fact most people identified as "nearly poor" were actually living at the marginal limit of the poverty line. The implication is that the agenda of alleviating the poor is still far from resolving the problem. Here lies the importance of targeting the poor. If one counts the poverty gap, the effort to alleviate the poor only requires fund less than Rp 5 billion. The problem always turns back to how the fund is allocated. If it is not conducted wisely, the effort to collect fund from the budget would end up to merely an effort to collect fund for "being falsely allocated" (if not manipulation). For this reason, the draft budget does not clearly solve all problems.⁸

These brief notes, although there are some significant indications of the way the budget will be allocated to the benefit of the majority group in Indonesia, are not the guarantee of comprehensive resolution to all societal problems of Indonesia. That is why one cannot be too sure that the draft budget is either a reflection of the politically important years when the budget

⁸Muhammad Chatib Basri, "Konservatisme dan Komitmen ke Kemiskinan", *Tiras*, 16 January 1997, 26-27.

will be implemented, or a political catharsis to respond positively to societal problems arising from Indonesia's political development of the previous years. Viewed from the general characters of the budget, it is likely that the government sees politically nothing special in the national development process so as to influence, if not force, it to make an extra and necessary expansion of the draft budget especially in its development spending aspect.

Political Messages

Taking lessons from the incidents, it should be the right time for the New Order government in particular, and Indonesians in general, to make serious reflections on the whole political, economic and social issues: political equality, high professionalism, nepotism etcetera. The existing paradigm of the Indonesian development no longer suits the present situation. The incidents have proven it.

It is only reasonable, however, if one could not find any formal statement in the budget referring to those problems. If the government did so, this would be a formal recognition that the success of economic development in fact had brought about fundamental social, economic and political problems, and thereby the government still needs to boost up her popularity entering the years of the General Election and General Sessions. This is not the way the New Order government usually responds to such problems. Consequently, it is difficult to avoid the possibility that unrests, riots and violence may not reoccur in Indonesia in the near future. The problems remain there within society.

Conversely, the government seems to have a strong confidence of how to handle the development of politics. There are two important political-economic messages reflected from the draft budget.⁹ *First*, the government was likely to take conservative but at the same time optimistic stand in formulating the draft. The conservative stand was reflected from the volume of the draft budget which amounts to Rp 101.087 trillions. *Second*, the pattern of the draft has no fundamental changes compared to the previous one (1996/1997). There seems to be no indication that the government wanted to initiate fundamental changes, for instance by pursuing a big expansion, which would be required at a time approaching the 1997 General Election. This is why the 16 per cent increase of routine spending is still within adequate terms.

What those messages want to convey is that there are no surprises in the draft budget. The draft budget which is relatively moderate seems to indicate that the government is optimistic with the occurrence of the coming General Election, and that there are no worries about the possibility that the riots reoccur in the near future. Because it is believed that the election would run smoothly, and therefore, there is no need to make any big fiscal expansion to guarantee the government's popularity. In other words, it is as it were the draft budget send a message to economic actors, especially foreign investors, that there would be no changes in Indonesia, and that status quo would be maintained.

⁹See A. Tony Prasetyantono, "Analisis RAPBN 1997/1998 Pesan Konservatisme Fiskal", *Kompas*, 8 January 1997.

Trade Liberalisation in Indonesia: Impacts and Issues*

Herry Darwanto

Introduction

NEARLY all market economies protect some industries from foreign competition. Developing countries today exhibit higher levels of protection than do developed countries. Moves to freeing trade have been underway at a faster speed in all countries. Free trade is believed to be beneficial because consumers and firms are able to buy products from the most efficient producers in the world. Furthermore, theory suggests that free trade provides access to larger markets, higher production technologies and more efficient management capabilities.¹

Indonesia is one country which is undertaking measures to scrap barriers to trade.

* I am grateful for generous advice from Professors Hideki Imaoka, Tadashi Yamada and Yuji Kubo. Any errors are solely my responsibility.

¹ Abundant sources can be found on this classical topic. Rodrik (1992) and Dornbusch (1992) both provide a brief sketch on the process of trade liberalisation in developing countries. Krugman (1993) describes arguments and cost benefits of protection in developing countries.

During the early years of economic recovery program, i.e. 1966-1974, Indonesia's trade policy was in the process of transition from highly restrictive to a more liberal one (Pitt, 1986). In 1966 import taxes were as high as 200 per cent, as the government desired for tax revenues during the period of hyperinflation. Since 1968 duties were lowered and by 1971 only 30 per cent of total items were subject to rates of 60 per cent or more. Duty free imports grew rapidly in accordance with investment liberalisation policy. The effective rate of protection (ERP) in 1971 for exportables had negative effective protection of negative 11 per cent, while all importables had the rate of 66 per cent.² This means the trade regime quite favoured import substitute goods, with a clear neglect to exportable goods.

² ERP is a ratio of value added per unit of output under certain trade regime as a proportion of its value under free trade. Thus ERP incorporates the effects on industrial assistance of import tariffs, export taxes, subsidies, quotas as well as other non-tariff barriers.

From the mid-1970s onward, trade policy turned to be more protectionist (Greenville, 1977). Higher rates of taxes on international trade were gradually imposed, supported with the use of quantitative restrictions on the importation of consumer and intermediate goods. Import of finished sedan cars was prohibited since 1974 to save local assembly industry. Import quotas and bans were extended to other industrial goods, including newsprint, some textiles, and motorcycles. Export restrictions other than export taxes were imposed to some commodities, such as copra and logs. Then quantitative restrictions were more pervasive during the early 1980s (Gills and Dapice, 1989). Hundreds of products were added to the list of imports subject to some restrictions (registration, regulation, quota or license). By 1984, 22 per cent (1154 items) of imports were subject to those restrictions. Manufactured imports had rate of effective protection as high as 500 per cent, and the pattern of protection at this period was strongly biased against agricultural and resource based sectors (Barichello and Flatters, 1991).³ Protection moves up to intermediate goods such as steel, polystyrene, and industrial chemicals. Imports of some types of steel, for example, was executed only by a state owned company. Overall, the level and variability of effective protection until mid-1980s were higher significantly compared with the period of early 1970s.

³There were some exception, however. Importation of certain agricultural products was halted by a zero quota (total banning). Imports of fruits were also stopped by limiting the number of importers, and subsequently by lifting this membership system. The export of logs was banned in 1985.

Some crises (will be described later) during 1980-1985 enforced the government to scrap trade restrictions and to move to export expansion strategy. The first serious attempt in changing trade regime was in 1985 when nominal import tariffs of large number of products were reduced followed by an abolition of a general directorate in charge of trade surveillance. The next attempts were combinations of tariff reductions, non-tariff barriers (NTBs) removals, streamlining of trade operation procedures, and simplification of other trade regulations. These efforts have been continuing until recently.

There are only a few studies on trade reform in Indonesia and they tend to emphasise the coverage of restrictions rather than the effects of trade reform.⁴ Among the exceptions are Pitt (1991) which describes Indonesia's economic performance following liberalisation at the end of 1960s, Hill (1990) which evaluates the outcomes of the just launched trade reform on export of manufactured goods and the structure of industry, Pangestu (1996) which describes extensively the political economic aspects of trade reform.

The purpose of this study is to scrutinise the steps, coverage, impacts and issues of the Indonesian experience in liberalising its international trade. Some questions will be discussed in this paper. Has the trade regime adopted been deleterious to growth and to other policy goals, and what is its impact on productivity growth?

⁴See Pitt (1986), Gillis and Dapice (1989), Barichello and Flatters (1991), Pangestu (1996), Fane (1996), Stephenson (1996), Condon and Fane (1996).

What areas of trade have been reformed? What remains to be tackled? In answering these questions empirical investigation will be put forward.

The second section after this introduction deals briefly with the reforms actually undertaken by the government. The third section will discuss the immediate impacts of trade reform. This is followed by the fourth section which will analyse some issues involved in the implementation of trade reform, and the last section will conclude the discussion in the previous sections.

The Reforms

Since 1985 government has been conducting trade reforms in various forms and intensities. The logical sequence of these reforms can be described as follows.⁵ Starting with a situation of overvalued exchange rate, the first step was to devalue Rupiah in 1983. This was followed by fiscal contraction mainly to reduce imports, followed by gradual export promotion measures. To further reduce the current account, import reform was undertaken with the aim to increase the competitiveness of exportable products. The main elements of this trade reform are as follows. Nominal tariffs were cut, the coverage of NTBs was reduced, some were

converted to tariffs, these tariffs were then reduced. Trade administration for export and import activities were improved, and conducive treatments were provided for exporters as part of the export promotion strategy. To offset the high cost coming from the protection system, duty draw back and export subsidy schemes were enacted temporarily. Other export support policies include prior duty exemption and refunds of value added tax paid on domestic inputs used in export production, and the establishment of export processing zones and bonded manufacturing warehouses.⁶

Since trade reforms were started in 1985, the level of nominal tariff rates declined from a level of around 27 per cent in 1985 to 20 per cent in 1990. The weighted average tariff fell, from 15 per cent in 1987 to 12 per cent in 1994. Table 1 shows that the real effective rate of protection (RERP) for manufacturing sector averaged nearly 63 per cent in 1987 which then dropped to 15 per cent in 1995.⁷ Examining the structure of protection as reflected by RERP es-

⁶The effectiveness of export expansion schemes are hampered by budget constraints and perhaps the lack of qualified personnel. Some of the schemes are non-transparent, time consuming, or subject to abuse (Nasution 1996). Removing NTBs and reducing tariff are not free from difficulties or excesses as well. In one of the packages, the right to import was replaced from state trading companies to authorised sole agents or producers (for own use). Later it was found that no right license was granted, i.e. it had been banned. Barichello and Flatters (1991) found that: (a) there was strong resistance from investors; (b) some officials still believed the necessity of regulation; (c) the administration of reform implementation was inadequate.

⁷The real effective rate of protection is defined as $RERP = [(1+g)/(1+w)] - 1$, where g is the usual ERP and w is the wage effect of nominal exchange rate on nominal wage. See Fane 1996.

⁵Trade reform is only a part of macroeconomic reforms undertaken since the mid-1980s. Other reforms dealt with taxation system, banking sector, privatisation of state owned companies, and foreign investment. Capital liberalisation was done far before this reform era, i.e. in 1967. For a comprehensive analysis of these reforms see Woo, et. al., 1994.

Table 1

REAL EFFECTIVE RATE OF PROTECTION AND SECTOR PERFORMANCE

Sector	IO code (a)	RERP 1987	RERP 1995	dRERP (b)	VA/O (c)	Export growth (d)
Food, Bev. & Tob.	8/19	104	22	82	0.30	19.07
Wood Products	37/66	72	-5	77	0.45	5.23
Other Manufacturing	49/66	95	21	74	0.37	67.25
Textile	36/66	75	9	66	0.30	9.02
Engineering	48/66	118	84	34	0.33	3.63
Chemicals	40/66	42	22	20	0.33	3.96
Non-metal Products	43/66	36	30	6	0.46	26.97
Fishing	6/19	0	32	-32	0.76	1.30
Livestock	4/19	15	30	-15	0.66	0.95
Paper Products	38/66	14	26	-12	0.37	15.98
Food Crops	1+2/19	9	17	-8	0.90	0.96
Estate & Oth. Crops	3/19	-1	7	-8	0.79	0.83
Basic Metal	46/66	-2	6	-8	0.31	1.61
Mining & Quarry.	26/66	-14	5	-19	0.83	5.27
Oil Refining	41/66	-14	3	-17	0.38	1.88
Oil & LNG	25/66	-14	-1	-13	0.91	1.22
Forestry	5/19	-61	-39	-22	0.85	0.73

(a) Code in 19 x 19 or 66 x 66 IO tables

(b) dRERP = RERP 1995 - RERP 1987

(c) Value added/output in 1990

(d) Export 1990/export 1985

Above the middle line are sectors with less degree of protection, ordered by dRERP. Below the middle line are sectors with higher degree of protection or less taxed, ordered by 1995 RERP.

Source: Fane (1995), 113 and CBS, IO 1985 and 1990 Tables.

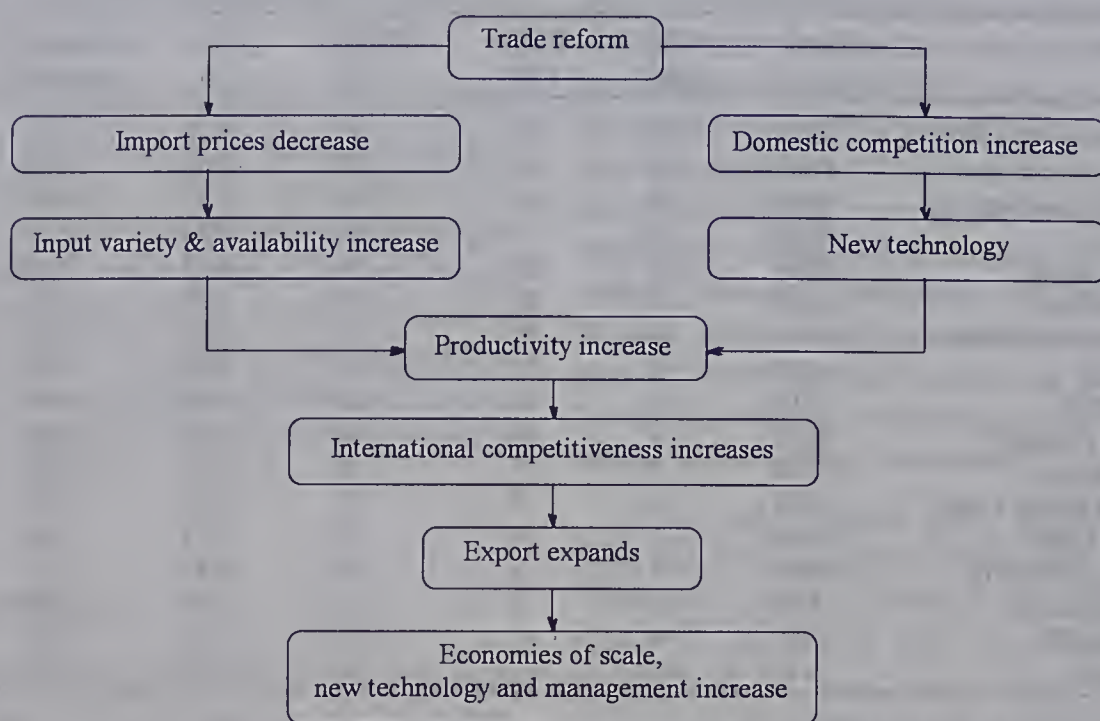
timates concludes the following: trade protection for manufactures has been as low as 15 per cent in 1995, comparable with that of the other High Performing East Asian Economies before their reforms. The decline in trade protection for manufacturing sector is higher than that of agricultural sector. Within manufacturing sector, the dispersion of protection varies from 56 per cent for wood products to 86 per cent for engineering (motor vehicle) sector in 1995.⁸

⁸ Negative ERP (or RERP) means effective tax on export, while positive ERP means a protection or assistance to input or final products.

The protection remains very high for a number of sectors, 13 sectors out of 131 industry sectors showed ERP of over 100 per cent in 1994 (Condon and Fane, 1995). This number however is much lower than the 36 sectors out of 138 industry sectors in 1987 which showed ERP of more than 100 per cent (Fane and Phillips, 1991). Sectors which are rapidly liberalised are foods, beverages & tobacco; textiles, clothing & footwear; and other manufacturing. Some sectors showed an increase RERP: fishing; mining & quarrying; and chemicals. Table 1 also shows that forestry sector remains the most heavily taxed sector. In line with

Chart 1

FLOW OF TRADE REFORM IMPACTS



the reduction of import tariffs, license coverage has also been reduced sharply. The NTBs are mostly applied to agriculture sectors. These tariff and non-tariff protections will further be reduced in accordance with commitments made in the frameworks of GATT, APEC and AFTA.⁹

Some Immediate Impacts

Impacts of trade reform on economic performance can be classified as static and

⁹The commitments made by Indonesia for the Uruguay Agreement is to bind across the board tariffs at the rate of 40 per cent. This binding covered 8877 tariff lines out of 9382 lines/items. Regarding AFTA agreement, by the year 2003 an across the board tariff of five per cent for substantially all products will have to take place. A small proportion of agricultural and industrial products will be excluded from the binding rate.

dynamic. The static gains refer to welfare gains from the reallocation of resources in accordance with the new incentive system brought about by the reduction of imported input prices. Dynamic effects are generated by static gains due to the increase in efficiency, higher technological capabilities, increase in capital stocks, etc. The static gains from freer trade has been one of the main topics in almost any international economics textbooks, thus there is no necessity to repeat here. Suffice it to say that compared with autarkic regime, gains from less restrictive trade is reflected in the increase of consumption and a more specialised production. The shift of indifference curve to a higher level is the gains obtained from specialisation in production due the new (domestic and foreign) price ratio. These gains are static because

they result from one time reallocation of resources. Dynamic gains results from X-efficiency gains and technical change. The first gains is due to the exposition of domestic industries to international competition which may eliminate inefficiencies. Freer trade will accelerate technical progress as producers are forced to improve quality in order to maintain and increase their market share. Further effects on export activities is obvious. With less cost of production due to the decrease in input prices, export volume may increase. At the same time, since export activities involving importation of raw materials and capital goods, import will also increase. The flow of trade reform impacts on the economy is presented in Chart 1. The increase degree of openness of Indonesian foreign trade have also brought positive and negative aspects on the economy. The following are some immediate effects of trade reform on the macroeconomic performance indicators of Indonesian economy. A longer discussion will be devoted to explore the effects of trade liberalisation on productivity.

Exports and Imports

Table 2 shows that sectors with reduced rate of protection such as food products, metal products, and other manufacturing also experienced high export growth. On the contrary, sectors which have higher rate of protection exhibit lower export growth ratio. In a more aggregate level, the effects are more obvious. Total exports grew by 8.4 per cent during 1986-1990 then increased by 11.3 per cent during 1991-1994. Non-oil exports

Table 2

ECONOMIC PERFORMANCE AFTER TRADE REFORMS, 1986-1994

Indicator	1986-90	1991-94
Growth of GDP	6.3	6.7
Growth of GDP/capita	4.3	4.9
Growth of investment	10.8	7.4
Investment/GDP	25.6	28.2
Manufacturing productivity	2.8	3.3
Import tax/domestic revenue	5.5	5.4
Growth of total import	4.8	10.3
Growth of capital good import	15.1	10.5
Growth of total export	8.4	11.3
Manufactured export/ total export	28.3	45.0
Growth of manufactured export	7.4	13.3
Trade balance/GDP	5.6	5.1
Income payment balance/GDP	-4.7	-3.9
Current account balance/GDP	-2.7	-2.3

Note: Ratio is in per cent, growth in per cent/year.

Source: Based on Central Bureau of Statistics, *Annual Statistics* (various editions).

have grown rapidly since 1985 in response to the trade deregulation, i.e., around \$6 billion per year in 1985 to over US\$15 billion in 1991. Growth rates of 52 per cent was achieved in 1987 which then slowed down to 21 per cent in average during 1988-1991. The share of total exports increased from 32 per cent to 55 per cent in GDP. Export of manufacturing goods increased more rapidly, i.e. about 30 per cent per year since 1986. Manufactured goods export then was almost 50 per cent of total Indonesia's exports, outpacing oil exports. Sectors in which Indonesia has a comparative advantage, that is resource intensive (such as plywood) and labour intensive sectors (such as textiles and garments) have higher growth rates than other sectors. Although there has been tremendous growth in manufactured export, the sector is still dominated by three products

(plywood, textile and garments) which comprise 70 per cent of manufactured exports in 1995. The higher growth of exports was not only due to the expansion of traditional manufacturing exports but also due to the increased export performance of non-traditional manufactured exports (such as plastics, rubber products, footwear, ceramics, basic metal products, glass, paper). Import restriction on imported inputs removals and especially export promotion measures are responsible for export expansion after the trade reform was started in 1985. Among the various measures to promote exports, exchange rate devaluation is perhaps the most direct approach. Regressing export on exchange rate and world demand yields significant coefficient on both variables.¹⁰ Imports naturally grew rapidly as barriers removed but has been less than non-oil export growth. Most of the imports comprise of intermediate and capital goods. The value of imports has increased tremendously since 1986. Import of consumption goods grew by 15 per cent per year during 1986-1990 while that of capital and raw material goods by 12 per cent.

Output Growth

Romer (1989) points out that in a restricted economy, only a narrow range of goods can be produced, while the full range of technological possibility that

rely on a broader range of inputs can not be exploited effectively. Access to a variety of important inputs at a lower costs shifts the production function outward. Thus output may increase with the removal of import barriers. A large number of studies have tried to link trade regime with output growth performance. Edwards (1992), for example, constructs two sets of trade policy indicators: openness (a measure of import restriction) and intervention (a measure of trade distortion which also includes the role of export subsidies). Using 9 other alternative indicators of trade openness, the conclusion does not change: countries that liberalise their international trade tend to grow faster. Rodinbusch (1992) notices that Mexico's output growth increased to above 4 per cent far reaching the previous protectionist trade regime. Melo and Robinson (1990) using a computable general equilibrium model find that policies that support export externalities yield significant growth effects. Table 2 above provides evidence that economic growth increased to the level before crisis years, i.e. 6-7 per cent per year until 1986-1994. The growth rate of investment (which was closely related to the import of raw materials and capital goods) was higher as well than the previous level, i.e. 10.83 per cent per year during 1986-1994 (compared with 4.33 per cent per year during 1981-1985), which then stabilised at an average of 7.44 per cent per year during 1991-1994. The ratio of investment to GDP has been maintained to around 25-29 per cent of GDP since 1988. While statistical analysis to see the relationship between output growth and the reduction of protection has been unsuccessful due to a very short

¹⁰The equation is:

$$X = -47226 + 3.02 \text{ WM} + 34 \text{ ER} \quad R^2 = 0.98$$

$$(-5.8) \quad (1.3) \quad (4.2) \quad DW = 2.3$$

X is export, 1983 prices. WM is world import index. ER is Rupiah/US\$ exchange rate.

observation, there is enough confidence to state that output is significantly explained by the growth of manufacturing export, which in turn is directly affected by the changing trade policy regime.

Productivity

The above improvement in economic performance and its relation with trade policy changes necessitates the exploration of the linkage between growth and productivity. Economic growth is caused by the expansion of resources and by the improvement in their use. Efficiency in using inputs in the production of goods and services is measured by productivity. The linkage between trade policy and productivity takes several routes (see e.g. Nishimizu and Page, 1991; Tybout, 1992). One route is via scale economies, i.e. the widening of market through trade liberalisation will expand outputs and subsequently may reduce costs of production. Another route is via foreign exchange constraint. In most LDCs, imported intermediate and capital goods are not substitutable with domestically produced goods. Increasing the availability of those foreign goods will expand the potential of domestic producers to utilise capacity and therefore increase productivity in the short term. A more commonly believed route is via the effects of competition created by trade liberalisation on the efficiency rate of domestic producers. It is argued that openness of trade forces domestic industries to adopt new techniques to improve efficiency and reducing costs. Thus in the words of its most famous proponent: "The carrot and stick of competition gives in-

ducement for technical change. For one thing, in creating competition for domestic products in home markets, imports provide incentives for firms to improve their operations. For another thing, in response to competition in foreign markets, exporting firms try to keep up with modern technology in order to maintain or improve their market position" (Balassa, 1988, p. 45). A more recent argument is that trade liberalisation may affect long run growth, through the acceleration of the rate of technological change (Grossman and Helpman, 1990), and similarly an expanding market may encourage innovation (Tybout, 1992).

Counter arguments against the positive effect of trade liberalisation on productivity are abundant as well. Regarding competition effect, Rodrik (1992, p. 157-8) argues that optimising behaviour of entrepreneurs will not be satisfied with the profits they obtain from the domestic market closed to foreign competition. *First*, domestic competition will enforce them to be innovative, *second*, even if domestic competition is not severe, entrepreneurs will always try to reduce costs in order to obtain more profits. About economies of scale, Rodrik argues that if increasing return to scale activities are predominantly engaged in import competing sectors which are protected, trade liberalisation will not automatically expand such activities (p. 159). Other explanation is from Tybout (1992, p. 190): when domestic firms enjoy market power, extra competition from foreign producers can force producers to expand or exit, but the net effect depends on the specifics of the demand shifts that accompany trade liberalisation, ease of entry or exit, and the nature of competition. On

the impact on long run growth, Harrison (1994, p. 54) argues that protection may also accelerate growth if it shifts resources towards manufacturing and away from research with no comparative advantage in R & D.

While theories do not give a conclusive answer on the impact of trade liberalisation on productivity, evidences are similarly confusing. Balassa (1985), Chenery and others (1986), and Edwards (1989) found a positive association between TFP growth and openness. Similar result is obtained by Tybout and others (1991) who compared Chilean industrial census data from an import substitution period (1967) and outward-oriented period (1979). Weiss' (1992) observation on Mexico's 4 digit manufacturing branches also gives similar outcome: trade reform has had a positive although weak effect on manufacturing sector efficiency. On the other hand, Pack (1989) concludes: "... comparison of TFP growth among countries pursuing different international trade orientation do not reveal systematic differences in productivity growth in manufacturing". Waverman and Murphy (1992) support Pack's assertion, that while a high rate of TFP growth for Argentina occurred during its trade-liberalisation period, consistently high rates of TFP occurred under regimes of trade restrictions. Their study on three other countries concludes the same: TFP growth cannot be explained by trade policy. Rather contrary to Weiss' finding, Tybout and Westbrook (1995) using plant-level data, found that there is little association between changes in openness and changes in productivity performance in Mexico. They even noticed some evidence that

openness actually worsens scale efficiency. They explain that large plants which carry the heaviest weight in sectoral aggregates have reached a minimum efficient scale, therefore industrial expansion did not generate large gains in scale efficiency (p. 76). Osada (1994) used 9 broad economic sectors and found a positive association between trade liberalisation and productivity in the case of Indonesia. World Bank (1992) included Indonesia in its cross-country study and also arrived at the same conclusion.

This study uses a more disaggregated sectoral level data. For trade policy changes, ERPs as calculated by Fane and Phillips (1991) for 1987 and Fane and Condon (1995) for 1995 are used. However, since other data are only for 50 sectors, ERPs for 131 sectors have to be aggregated into the 50 sectors, by employing simple arithmetic average. There are two variables for protection by using this ERP estimates: DERP and GERP (for definition see Appendix). Alternatively, import penetration ratio and import tariff are also used. For productivity performance, labour productivity growth during 1985-1990 (GP 8590) is used. Measurement of TFP growth is limited by the inavailability of capital stock data. Other than ERP, all data are derived from 1985 and 1990 Input-Output Tables. The expectations in this regression are as follows. The larger the absolute reduction in ERP will result in higher increase in productivity growth, thus the expected sign is positive. The same is expected for import penetration (DMP and GMP) variables, but the expected signs for other indicators of protection reduction, namely import tariff ratio (DMTM and GMTM) are the opposite: neg-

Table 3

RESULTS OF REGRESSION ANALYSIS ON PRODUCTIVITY							
1.	GP	=	0.7301 (5.85872)	+	0.001004* DERP (1.11174)	+	1.1141* GVO (4.32194)
	R-squared = 0.308059						
2.	GP	=	0.8090 (6.73255)	+	0.002695* GERP (0.168756)	+	1.0878* GVO (4.33650)
	R-squared = 0.309294						
3.	GP	=	0.7482 (6.21346)	+	3.5145* DMTM (1.74304)	+	1.9783* GVO (3.33010)
	R-squared = 0.257713						
4.	GP	=	0.7620 (6.15594)	+	0.01311* GMTM (1.00815)	+	2.0345* GVO (3.41850)
	R-squared = 0.239432						
5.	GP	=	0.8019 (6.86962)	-	0.001613* GMP (-1.40297)	+	2.0251* GVO (3.40803)
	R-squared = 0.242682						

See Appendix for definition of variables. Number of observation varies depend on data availability for each variable, the maximum is 50. Methods of estimation: ordinary least square. In the brackets are t-statistics.

ative sign show a decrease in the level of protection and thus an increase in productivity growth. Other explanatory variable for productivity growth is added, i.e. value added ratio (GVO), with no apriory sign expectation, since it can be either positive or negative, depends on the intensity of input in the production process. The statistical results are presented in Table 3. *First*, all coefficient of determinations after being adjusted for degrees of freedom are less than 0.5, indicating rather low explanatory power for labour productivity growth of the independent variables. *Second*, there are some cases where the sign of coefficients are not as expected (GMP and import ratio variables). *Third*, both DERP and GERP show positive relation with productivity growth although with moderate level of confidence. *Fourth*, coefficient for GVO are all positive and

significant, thus productivity growth is associated with a higher capital intensity in the production process. The final conclusion out of this estimation is therefore: there is a good sign that trade liberalisation causes an increase in productivity.

Trade Balance

Theoretically, the reduction of import tariff may decrease imported goods prices, increase demand for imported goods, increase import value and deteriorate trade balance. Evidence shows that balance of merchandise trade improved from 3.07 per cent of GDP in 1986 to 7.06 per cent in 1989, and stabilised at around 5-6 per cent since then. Thus trade reform did not cause the trade balance to deteriorate despite the increases in imports resulting from import liberalisation. The cheapening

of imported intermediate inputs and the export promotion policies adopted may contribute to the increase in export and therefore to the improvement of trade balance. The deficit of current account witnessed was due to the high degree of import of factor of services and income payment abroad. Nevertheless, Indonesia was able to finance the deficit by loans from multilateral/bilateral creditors, and from the influx of FDI especially from Japan and the NICs.

Government Revenue and Expenditure

Reduction of the average tariff rate is often associated with the reduction of revenue. However, this relation is true if the initial tariff is below the revenue maximising rate. Furthermore, trade liberalisation may reduce incentives to illegal activities which may broaden the tax base. Tariff reduction which increases income may induce consumption of imported goods.¹¹ Evidence shows that trade reform in Indonesia has not altered much the import tax revenue. Despite tariff cuts, import revenue increased significantly, especially in 1986 when some NTBs were converted to tariffs. The tax base also increased due to trade reform. As a whole import tax revenue increased from 3.8 per cent of total non-oil revenue in 1981-1985 to 5.5 per cent in 1986-1990. Revenue from exports dropped by 74 per cent in 1990, that from the collection rate fell to 0.09 per cent from 0.40 per cent of the previous year. The rate continuously decreased until al-

most negligible. But foreign trade tax as a whole has not decreased, even increased (from 0.85 per cent of GDP during 1981-1985 to 1.02 per cent during 1991-1993). Thus trade reform, has not reduced government revenues.

Social Impacts

There are some indicators of social impacts which may be applied to evaluate the effects of government reforms. Among others are indicators of economic wellbeing (e.g. GDP/capita), indicators of consumer welfare (income or cost of consumption, self sufficiency ratios) and indicators of social wellbeing (calorie intake, poverty incidence, life expectancy at birth). This study will concentrate on only some of those indicators. Income per capita increased more than twice since reforms were done, i.e. Rp 49,280 in average (1981-1985) to Rp 113,860 (1986-1994). Real per capita GDP increased fairly rapidly after reforms from 1.96 per cent per year (1981-1985) to 4.3 per cent (1986-1990) and to 4.91 per cent (1991-1994). Real wage has increased about 1.3 times between 1981 to 1987 and almost two times in 1994. Not only the consumption level increased, people must have been able to buy more variety of goods and services. During 1986-1991 employment in manufacturing sector rose by 12.8 per cent as compared to 8.1 per cent during 1980-1985. The increasing growth rate occurred in 6 out of 9 sectors. By comparing employment growth and export orientation of 5 digit level of sectors, it is found that the relation is pos-

¹¹Greenaway and Milner (1992) finds that two out of five countries they studied show revenue depletion after conducting import reforms.

itive and significant (see Iqbal, 1995). Thus the conclusion that trade reform has a favourable impact on employment creation is not an exaggeration.

Issues

The previous section explores some observable immediate results of trade reform in Indonesia. In general the outcomes are in line with the commonly held belief that freer trade makes economy run better, with some unavoidable defects. The following is a further analysis concerning some main issues which may restrain the liberalisation of economy from distortions in trade.

Maintaining Credibility

Indonesia deliberately chose a gradual approach to overhaul its trade regime, as compared to big bang approach which was done by some other countries. While the last approach is feared to incur high cost of adjustment, the former is feared to encourage investment decision based on status quo, thus adding another inefficiency. The credibility and sustainability of reforms however is more crucial to the success of the reforms than the sequencing issue above. Investors need a clear message that protection will be removed so that they will respond to the changed set of incentives more properly.¹² However the nominal tariff rates as

well as the production coverage of manufacturing sectors have been unchanged since 1990. Business people may have been confused comparing this fact with the annual government announcement regarding deregulation packages, each time of which tariff cutting and other deregulation measures were specified. The stagnation of trade barrier removal seems to correlate with the performance of manufactured export. The growth of manufactured exports fell to 17.4 per cent in 1993 which then drop again to 3.65 per cent in 1994. These rates are well below their level during 1986-1990 which is 32.46 per cent in average. At the same time with the fall in manufactured exports, there was also a clear sign that export oriented investments of both domestic and foreign have slowed down after 1990. Thee (1994) observes that the share of private investment that orientated to export market dropped from 73 per cent (1989) to 53 per cent (1992) in case of domestic investment, and 79 per cent (1989) to 45 per cent (1992) in case of FDI. Although the decline in manufactured export is not entirely due to the stagnation of trade reform efforts, but trade deregulation is an important indicator of the seriousness of government policy which influence export rather directly as the trend suggests.

Domestic Competitiveness

The second issue is related with the competitiveness of Indonesia's products in world market which is related closely with domestic market competition. The competitiveness of Japanese product in the world market is well known because of the very tight domestic competition. Al-

¹²Rodrik (1992) points out that the expectation of reform reversal is enough to distort the intertemporal structure of relative prices. Thus incredible trade reform may distort tomorrow's prices although today's prices are right.

Table 4

SECTORS WITH HIGH PROTECTION RATE,
1994

Sector	ERP (%)
Agriculture:	
Milk powder	>600*
Non-alcoholic beverages	>600
Milk products	248
Wheat flour	196
Animal slaughtering	180
Processed soybeans	142
Industry:	
Furniture wood rattan	>600*#
Motor vehicle assembly	>600*#
Structural metal products	271#
Household electronic	208#
Non-electrical machinery	174#
Paper & paperboard	51*#

Note: *Closed to FDI;

#On Uruguay Round exception list.

Source: Stephenson (1995).

though a large portion of protections has been removed, domestic competition is still saturated with various forms of distortions. A high degree of import licensing is found in agricultural sector, especially in food crops sector such as rice, soybeans, wheat, corn and sugar (See Table 4). While they are the usually protected commodities in other countries, they are very special in Indonesia since they are related to the manufacturing of soybean meal and wheat flour, the production and trade of them involving some state trading companies and big private production companies. Another manufacturing sector which shows a high degree of protection are motor vehicles, aircraft and vessels. Export restrictions also still prevail in various sectors, such as in forestry (high export tax for logs), estate crops (e.g., cooking oil) and leather.

Regional Inequality

When protection is removed, the relative prices change and then the production, consumption and export-import structure change as well. Since within a country, differences in structure and pattern of production and trade may prevail, trade reform may give different impacts on regions. Some regions may be benefited more while others may be less. If as a result of trade reform, regional inequality gap converges, trade reform is in line with government's general objective of development. Table 5 shows that the Williamson coefficient increased from 0.00137 (1986) to 0.00161 (1991).¹³ The inequality gap among the 27 provinces in Indonesia rose since the era of trade reform was started, that means a tendency toward more centralised development emerged. Trade reform, together with other reforms, have been creating greater reliance on market mechanism, and therefore favoured the stronger regions.

The Need of Adjustment Measures

Not all firms naturally are able to take advantage of the new opportunities that those reforms offer, some others may be at a loss due to the increase of factor costs. Table 6 shows some sectors in the economy experienced reduction in produc-

¹³This coefficient is the square root of variance of GRDP/capita weighted by population and divided by total population. Number of observation: 27 provinces.

Table 5

TREND OF REGIONAL INEQUALITY (1986-1991)

	1986	1987	1988	1989	1990	1991
W	0.00137	0.00139	0.00143	0.0015	0.00156	0.00161

Source: Based on Central Bureau of Statistics, *Annual Statistics* (various editions)

Table 6

DECLINING PRODUCTION OF MANUFACTURING PRODUCTS (INDEX, 1983 = 100)

Product	Code	RERP 1995	1986	1987	1988	1989	1990	1991	1992
Motorbikes	38440	600	98	81	77				
Vehicle bodies	38460	600			99				
Cigarettes	31430	108	79	82	79	78	81	95	73
Dairy products	31121	100	88	94					
Malt	31330	62	94						
Cutlery & screws	38112	58	89						
Electronics	38320	40	91	87					
Mosquito oil	35140	34	99	79	94				
Pulp	34190	31	81	81	95				
Metal furniture	38120	25	74	71	81	97		93	
Cassava flour	31210	12	94	96					
Ice	31230	12	97	95				62	40
Electric equipm.	38330	6	77	86	85	91			
Cement goods	36320	3	75	87	91	97	91	83	60
Chocolate	31190	0	60	78				61	69
Coconut oil	31151	-1	77	72	90	98			
Cattle food	31280	-2	68						
Rice miling	31161	-6	88	96				88	
Flour	31164	-6	97		97	95			
Printing fabrics	32113	-11	99						
Batik	32114	-12	96	82	83				
Sawmills	33111	-27	90	92					
Average all prod.		7	128	144	164	184	209	232	258

Note: Only product with index less than 100 are shown, ordered by RERP, unprotected/taxed products are below the middle line.

Source: RERP from Fane and Condon (1995), Table 1.

Index from Central Bureau of Statistics, *Annual Statistics* (various editions).

tion after trade reform was started. *First*, the number of commodity groups which experienced lower production has decreased from 22 sectors in the outset of trade reform (1986) to 2 sectors (1990) then increased to 4 sectors (1992). Thus less manufacturing activities suffered from increased competition. *Second*, there are some sectors which have enjoyed high degree of protection for a long time but also exhibit lower level of production (cigarettes, metal furniture). *Third*, the number of sectors which experienced lower level of production in the non-protected group is fewer than that of the protected group. If contraction of activities occurred in labour intensive industries, then adjustment treatments may need to be carried out.

Conclusion

Indonesia has been radically reforming its trade regime in order to overcome external and internal crises in the early 1980s. A number of positive outcomes of this reform on the macroeconomic level of the country has been highlighted in this study. Among notable impacts are: the taming of current account deficit to around 3 per cent of GDP, the rapid expansion of traditional and some new manufactured exports that its share in total export has been offsetting that of oil sector, the constantly high economic growth of around 6-7 per cent per year, the overall increase in productivity of human and capital resources, and the improvement of social and economic wellbeing of the people. Furthermore, this study does support a conclusion that trade liberalisation measures has been affecting positively on

labour productivity growth. There are naturally some issues which need more attention regarding trade liberalisation policy of the government. *First*, although protection is already at a very low level in general for manufacturing sector, a few products are still heavily protected by tariff and quantitative restrictions. This requires a thorough research on the possibility of: (a) removing tariff protection on vehicles; (b) opening up of the strategic industries to import competition and removing subsidies granted to these industries; (c) reducing export taxes on forest products in which Indonesia seems to have price determination power; (d) the replacement of NTBs in the agricultural sector. *Second*, reducing protection does not necessarily increase product competitiveness in the world market. Domestic markets are still clamored with various forms of distortions such as entry and exit controls, monopoly and oligopoly, public sector dominance, exclusive licensing, and price controls. Trade liberalisation will not be effective when these distortions are still prevalent. *Third*, other competing countries have been relatively free from these domestic distortion and have been freer from international trade restrictions, therefore, Indonesia needs to address these issues more consistently.

Another issue is related with income distribution aspect of trade reform. This study reveals that regional inequality has been unfavourable as a result of trade liberalisation, which may indicate the worsening of income distribution among social groups. In fact theoretical argument is not very confirmative on the positive effect of trade reform on income distribu-

tion. On the one hand, the expansion of labour-intensive exports promotes employment, eliminates the bias in favour of capital-intensive industries, and reduces excessive monopoly profits and benefits obtained by those who can get import licenses and exploit monopoly power in the domestic market. On the other hand, the expanding export sector may be production with high capital-intensive and high degree of concentration, while the expanding import sector may undermine the low technology, lack of foreign exchange, labour-intensive, small scale business sectors. Thus a prudent and continuous research and early treatments need to be taken before poverty incidence increases due to a very liberal and drastic type of trade reform.

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Appendix

VARIABLES IN PRODUCTIVITY GROWTH ESTIMATION ARE DEFINED AS FOLLOWS

$$DERP = ERP_{87} - ERP_{95}$$

$$GERP = (ERP_{87} - ERP_{95})/ERP_{95}$$

$$GP = (V_t/L_t - V_{t-1}/L_{t-1})/(V_{t-1}/L_{t-1})$$

$$GVO = ((VO_t - VO_{t-1})/VO_{t-1})$$

$$\text{where } VO_t = V_t/O_t$$

$$DMTM = MTM_t - MTM_{t-1}$$

$$GMTM = (MTM_t - MTM_{t-1})/MTM_{t-1}$$

$$\text{where } MTM_t = MT_t/M_t$$

$$GMP = (MP_t - MP_{t-1})/MP_{t-1}$$

$$\text{where } MP_t = M_t/(TD_t - E_t)$$

V_t : value added in year t

O_t : output in year t

L_t : number of labour in year t

MT_t : import tariff in year t

M_t : import in year t

TD_t : total demand in year t

E_t : export in year t

t : 1993 and t-1: 1985

The Non-Aligned Movement: An Indonesian Perspective*

Nana S. Sutresna

IN the post-Cold War era, economic and social issues have more to do with security and peace than they ever did before. A recognition of the truth of this is reflected in the fact that in recent times, the Non-Aligned Movement (NAM), with which Indonesia is closely identified, deemed it an imperative to adopt new approaches and a new orientation that would give dynamism to its economic activities and to a large extent recast its relationship with the developed world.

When the Movement was newly founded, it first won general recognition as a political movement with an agenda for peace and a unique way of addressing the security concerns of its members. Today the NAM has also become the leading advocate for a North-South dialogue and negotiations on economic issues and the forging of a global partnership for sustainable economic and social development. And yet the NAM remains the same Move-

ment that it was when it was founded in Belgrade in 1961, the offshoot of a vision that was sown on Indonesian soil during the Asian-African Conference in Bandung in 1955. There has been no change in the ideals, principles and purposes of the Movement. But since the birth of the Movement some 36 years ago, the international landscape has been altered beyond recognition. Notions and concepts of security and of how to achieve lasting global peace have become so much more sophisticated. Having learned a great deal from its long experience, the NAM has accordingly made some very significant adjustments in its approaches and methodologies, in its priorities and strategies.

Such changes may be better understood in the context and perspective of the Movement's history. I should therefore like to invite you to join me in looking back across the years to a time long before the formal founding of the Movement. It was in 1945, in the wake of the Second World War, that a republic called Indonesia was born in the Orient. It was born non-aligned.

*Adapted from a presentation at the Fourth Germany-Indonesia Conference, Ebenhausen, 27 January 1997.

That means that from the very start of its life, Indonesia has adhered to a philosophy and policy which would be described by the then Prime Minister Mo-hamad Hatta, when the Republic was but three years old, as "an independent and active foreign policy." *Independent*, because it is neither shaped nor influenced by the policies of any world power but only by the national interest and the ideals and principles to which the Republic is committed. *Active*, because it seeks to launch or participate in common initiatives toward the shaping of a more peaceful, more just and more prosperous world order. To us Indonesians, this has always been the essence of non-alignment.

This policy by no means constituted the conventional wisdom among nations at that time. For the Cold War was about to begin in earnest and developing nations were under pressure to cast their lot with either of two rival ideological camps that would, through the decades, give a bipolar shape to global politics. An independent foreign policy such as that of Indonesia was therefore very much like, again in the words of then Prime Minister Hatta, "sailing between two reefs."

It was at the Asian-African Conference of Bandung in April 1955 that Indonesia emerged as one of the world's foremost advocates of non-alignment. In that Conference, statesmen and leaders from 29 African and Asian countries, the first generation of leaders of two continents, met, identified and addressed the problems besetting the world at that time. It was a defining moment in the political history of the world. The mighty tide of sentiment

that rose from that Conference would eventually sweep away the last bastions of colonialism. In various parts of the world, nations that were still under colonial rule broke their chains and claimed their rightful place within the community of nations. The Asian-African Conference was a major factor in the adoption by the United Nations of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Many independent nations of today remember the Asian-African Conference as the voice that shook them from the slumber of centuries in order to stand up and walk in freedom.

It was not enough, however, for these nations to merely assert their freedom. For freedom would not mean much if it were but a breaking of shackles and chains. After liberty and independence has been proclaimed, there must be a conscious and deliberate acceptance of responsibility. For freedom to be lasting and meaningful, it has to be achieved through the pursuit of responsible and equitable relationships, and this is true of personal relationships as well as relationships between and among nations.

That is why, as they deliberated on ways of dealing with the major global problems of that time, the first generation of leaders of Asia and Africa also found it appropriate and necessary to enunciate a new ethos that would govern the relationship between and among nations great and small. This came to be known as the *Dasa Sila* of Bandung or the Ten Principles of international relations.

In the light of inequities and imbalances in relationships between and among na-

tions that persist up to this day, I think it is worthwhile reiterating these principles:

1. *Respect for the fundamental human rights and for the purposes and principles of the Charter of the United Nations;*
2. *Respect for the sovereignty and the territorial integrity of all nations;*
3. *Recognition of the equality of all races and of the equality of all nations large and small;*
4. *Abstention from intervention or interference in the internal affairs of another country;*
5. *Respect for the right of each nation to defend itself singly or collectively, in conformity with the Charter of the United Nations;*
6. *(a) Abstention from the use of arrangements of collective defence to serve the interest of any big power; and (b) Abstention by any country from exerting pressures on other countries;*
7. *Refraining from acts or threats of aggression or the use of force against the territorial integrity or the political independence of any country;*
8. *Settlement of all international disputes through peaceful means, such as negotiation, conciliation, arbitration or judicial settlement as well as other peaceful means of the parties' own choice, in conformity with the Charter of the United Nations.*
9. *Promotion of mutual interest and co-operation; and*
10. *Respect for justice and international obligations.*

It is indeed a tribute to the sagacity of the first generation of Asian and African leaders that these principles are as applicable to international relationships today as they were during the Bandung Conference 32 years ago.

If Bandung was the seedbed of non-alignment, it was at Belgrade six years later that it took firm roots. At the Belgrade Summit in 1961, twenty-five newly independent countries from all over the world formally founded the Non-Aligned Movement. Since then, the Movement has grown to its present strength of 113 members, 12 observers and 27 guest countries, with six observer international organisations and 18 guest international organisations, thus representing the vast majority of humankind. Throughout the era of the Cold War, it provided an alternative vision to the bloc politics of the time. That alternative vision was already well-defined in the *Dasa Sila* and it needed only to be further elaborated on in Belgrade and the succeeding NAM Summits. Today, countries that wish to become members of the NAM, in accordance with the recommendation of the Ministerial Committee on Methodology in Cartagena in May 1996, have to commit themselves to respect these Ten Principles.

Through the years since the Movement was formally founded, it remained faithful to its avowed principles and ideals and thus consistently struggled for a world of true independence, peace, justice and shared prosperity. In the course of that struggle, the Movement was instrumental in the triumph or at least the advancement of a various worthy causes. It is largely

due to the impetus that the NAM gave the worldwide decolonisation process that colonialism, at least in its classical form of political dominance and open economic exploitation, has been virtually eradicated. The NAM spearheaded the drive against institutionalised racism as exemplified by the abhorrent system of *apartheid* and today we can say with confidence that *apartheid* is dead. The Movement also pushed hard for the long-overdue process of disarmament, a struggle that is still very much ongoing today.

At the same time, the NAM served as one of three basic approaches to the issues of international peace and security during the height of the Cold War, the other two being the concept of collective security enshrined in the United Nations Charter, and the doctrine of deterrence to which both the rival ideological camps of the Cold War stubbornly subscribed.

The collective security system of the United Nations has not been altogether ineffective for it did prevent a world war from breaking out again in spite of the high level of hostility and nuclear armaments that characterised the Cold War era. But it could not prevent a number of major conflicts from flaring up because its full effectiveness was premised on great power cooperation in the Security Council which, during the Cold War, was never forthcoming. That is why we in the NAM believe that if the Security Council is to be fully effective, its powers, membership and procedures must undergo extensive reforms. Only then can the Council be regarded as having become what it was originally meant to be -- a truly repre-

sentative and democratic body capable of ensuring the collective security of the community of nations.

Meanwhile military alliances were mushrooming during that era as a result of the adherence of many nations to the doctrine of deterrence -- "*the threat of retaliation to prevent an adversary from doing something it would otherwise be tempted to do.*" The imposition of such bloc-based alliances on the nations of the developing world, including a number of Asian nations, did not always help these nations feel more secure as it only increased international tensions. With the end of the Cold War, this doctrine has come to be widely regarded as irrelevant although a considerable number of security planners probably still adhere to it.

For its part, the NAM proscribed its members from joining any of the two rival blocs and their subsidiary military alliances and from offering military bases to these alliances. Avoiding involvement in the bipolar rivalry, it promoted peaceful coexistence instead of confrontation, democratic interstate relations instead of domination, and partnership instead of exploitation. It sought collective security through the fulfillment of the principles and security provisions of the UN Charter and through disarmament, particularly nuclear disarmament, and the reversal of the arms race.

We will never know to what extent the NAM's advocacy for peaceful coexistence influenced the rapprochement that eventually developed among the major powers. But the Movement was certainly part of the solution and never part of

the problem and it did ameliorate the sharp and dangerous polarisation that the rest of the world at that time was going through.

In any case, the NAM Countries were among the first to stress and to work on the basis of the inexorable correlation between social and economic progress on one hand and peace and security on the other. Thus, without at all neglecting the political aspect of its work, the Movement, during the 1973 Algeria Summit, assigned economic cooperation a high place in its priorities. It developed broad policies for a North-South Dialogue within the UN System. The G-77, being the negotiating arm of the developing countries, launched a North-South Dialogue which went through preliminary talks. Later, an attempt at global negotiations was also made. By the early 1980s, after ten years of intensive efforts, about the only achievement that could be cited as the fruit of this endeavour was the establishment of the Common Fund for Commodities, a much watered-down version of the original idea. In all other fields of the Dialogue, nothing of substance or significance was accomplished. Worse, disagreements deepened not only between the NAM and the countries of the developed world but also among NAM members themselves.

The developed and developing countries must share responsibility for the failure of that first attempt at a North-South Dialogue. The developed countries viewed the whole exercise as a brazen venture to make a massive transfer of resources from the developed to the developing world without the developing countries working for it. They saw no need at all for the exercise

which they regarded as a demand for their charity. For all of ten years, they fended off the arguments of the developing countries and in that they succeeded only too well.

The developing countries, particularly the NAM and G-77 members, were not exactly without fault either. We in the NAM, of course, saw the dialogue as an opportunity to make a serious attempt to rectify the inequities and imbalances of the international economic order -- but could not make an effective case of it. We saw the global situation as unjust and had a clear idea of what should be done about it, but we did not have the supporting statistics, nor the research and the arguments necessary to make a convincing case. It was an obvious mismatch and the dialogue failed because only one voice could be heard -- that of the developed world.

Since the early 1980s until the end of the Cold War period, the major industrialised countries simply practised a unilateral or selective bilateral approach with their hapless developing country counterparts. They simply chose for reasons of their own which developing country they would cooperate with, which developing country happened to have the resources they needed, and which developing country they could afford to ignore. Thus the poorest of the developing countries got even poorer because of their isolation, some of them becoming cases of humanitarian disaster. There was nothing much we in the NAM could do about it because this period was precisely the time when the developing countries as a group

were at their weakest: the debt burden had begun to weigh heavily upon them and they were not united. This was the situation when the Cold War came to an end in the late 1980s.

The end of the Cold War, a watershed in history, changed a great many things. It brought us all to a most critical time of rapid transition and fundamental change. Marxism collapsed almost overnight, but democracy, unable to deliver immediately on its promise of a better life, begun to face serious challenges. The political map of Europe was altered beyond recognition in a matter of months. The security situation in Asia also began to metamorphose -- largely for the better.

That is still essentially the situation today. The old international order has crumbled and the contours of a new order are just beginning to emerge but its final shape is yet to crystallise. This is therefore a time of great promise and grave challenge, a time of profound contrasts and pervasive uncertainty.

One of the major changes that could have taken place, and it would not have been good for humanity had it taken place, was a shift in the lines of tension from an East-West direction which was no longer possible, to one of a North-South direction. Fortunately, this did not happen to any significant degree because of a powerful combination of factors.

First, the forces of globalisation and interdependence, now without the artificial restraints imposed by ideological rivalries, have begun to be felt as they were never felt before. In a globalised, interdependent

world the developed countries know that a problem of poverty in a developing country will not remain forever in that developing country but sooner or later will find a way of transferring itself into the developed world. The developed world has to look on the developing world as a neighbour whose problems must be shared or circumstances will force a sharing of these problems after they had been enlarged.

Second, the developed countries must have learned a lesson from the protracted recession of the late 1970s and the 1980s -- that the only effective way to stimulate the global economy was for them to be able to reach the vast markets of the developing countries, but even this will not work if the developing countries are too impoverished to have any purchasing power. The view that the developed world had no need for the developing world has been steadily losing ground in Western policy circles.

Third, the countries of the developing world, particularly the NAM members, were also preparing a fundamental change in approach and orientation to the solving of global economic problems. They had come to realise that reciting a litany of grievances, denunciations and the use of confrontational language would be counterproductive in dealing with the developed countries. They now resolved to take on a completely rationale approach and to resume dialogue with the North on the basis of a partnership of equals. And when they would finally come to the negotiating table once again, this time they would be prepared with their own well-researched position papers showing how

a certain proposed course of action, for instance, would rebound to the benefit not only of the developing countries but also of the developed countries. At the Ministerial Meeting in Accra, the Movement declared that it was willing to undertake whatever was necessary to ensure that it could engage the rest of the international community in a dialogue.

Fourth, the developing countries were beginning to feel that their lack of unity had been a disservice to the cause of their own development and were now more determined to present a united front to their counterparts in the North whom they would re-invite to the dialogue. South-South co-operation was then already becoming a basic component of the overall NAM strategy.

It was against such a global backdrop that preparations were made for the Tenth NAM Summit in Jakarta in 1992. Faced with the global reality of rapid and profound change, the NAM had the choice or whether to allow the ongoing changes to proceed on their own momentum, without coherence and direction but with all attendant risks of instability and upheaval -- or to seek, in all sincerity and goodwill, to engage the international community in jointly directing these changes, rationally and equitably, towards a new order.

At the Tenth NAM Summit, the NAM leaders made their choice. They declared that, as a political coalition representing more sovereign states than any other grouping in history, the Movement should not be a mere spectator and should not resign itself to being sidelined in the currents of historic change. The Movement,

they stressed, must dynamically adapt to these currents by setting new priorities and reordering old ones, by devising new approaches and new strategies.

Accordingly, the Movement proceeded to craft the concepts and modalities that would be the basis and the framework of its concrete programmes. At the same time it girded itself for a vigorous advocacy that would place the views and concrete proposals of the Movement into the mainstream of international thought and action. It also attended to important house-keeping tasks such as the establishment of effective organisational mechanisms, guidelines and procedures.

Without neglecting to address the political concerns that have gripped the world and continues to grip the world today, the NAM leaders took one of the most significant decisions that they have taken in a long time: they decided to restore the issue of economic cooperation to the top of the Movement's agenda.

The Movement came out of the Summit reinvigorated, strengthened in its resolve and clear in its purposes. Many international observers who were habitually skeptical of the Movement might have been pleasantly surprised: for the first time they observed a Non-Aligned Summit that was not acrimoniously dwelling on grievances but was instead seeking a constructive dialogue and offering to engage the developed world in cooperation in all fields. This became known as the NAM's new orientation, its new approach to solving the interlinked global problems of our time.

The application of that new approach is never more evident than in the Movement's current advocacy and pursuit of a global North-South partnership as well as an intensified South-South cooperation for development. In mid-1993, President Soeharto, as NAM Chairman, seized the opportunity to extend the Movement's "*Invitation to Dialogue*" to the leaders of the Group of Seven (G-7) on the eve of their Summit Meeting in Tokyo. The positive response of the leaders of G-7 to our Movement's offer of cooperation and constructive dialogue, which they articulated at the conclusion of the Tokyo Summit and then again after the Group's Summit in Napoli the following year, has since been carried further by the NAM. Working with the Group of 77 and other like-minded countries, including developed countries, the NAM initiated a draft resolution entitled, "*Renewal of the Dialogue on Strengthening International Cooperation for Development through Partnership*." That the resolution was adopted by consensus clearly indicates that the international community supports the basic strategy of the NAM for achieving a new and more just international economic order.

An important aspect of the resolution was a request to the Secretary-General to present the forty-ninth session of the United Nations General Assembly with recommendations on how the envisioned North-South dialogue could be promoted in a way which would reflect the ongoing work on an *Agenda for Development*. In this regard, the Secretary-General has issued his report on *An Agenda for Development* which we hope will bolster the prospects for balanced global economic growth. Our NAM

Coordinating Bureau, working with the Group of 77, is playing an active role in the deliberations on that Agenda. The NAM is also very much involved in high level discussions in the General Assembly to spell out further how the North-South dialogue should be conducted.

In this process, the Movement has once again shown a pragmatism and a flexibility that have struck a positive chord among its intended dialogue partners. For example, the Movement has made it known that it is ready and willing to dialogue on matters of common interest with the developed countries of the North in any forum which is mutually acceptable. This is a far cry from the position it had assumed some years ago that it would only engage in dialogue in certain specific forums.

The same kind of pragmatism and flexibility now govern the approaches of the member countries of the Movement to international financial institutions. In the past, many member countries applied a double standard in dealing with these institutions: they regarded these institutions as politically disagreeable, but bilaterally, these countries could not do without these institutions. We the countries in the Non-Aligned Movement are probably making greater use of these institutions today with this difference: because of our non-confrontational, cooperative approach, there has been no occasion for us to antagonise them politically. I believe this will work well for the international financial institutions and for the Movement. Knowing that Non-Aligned Countries have no political agenda that is adverse to them, the international financial institutions might in-

deed become more receptive to the views of NAM members.

This rapport between the NAM and the international financial institutions has proven to be conducive to the general effort to achieve a solution to the external debt crisis which constitutes a major drain on the resources of developing countries. The external debt crisis has often frustrated their endeavours at development in spite of various strategies tried out by the international community to alleviate it. The NAM therefore decided during the Tenth Summit to continue its consultative process on the external debt on a high inter-governmental level and to formulate policy guidelines that would bring about a comprehensive and durable solution to the problem. In compliance with this decision, Indonesia as Chairman hosted three meetings of experts on external debt. These meetings yielded a "*Memorandum on Urgent Actions on Bilateral, Multilateral and Commercial Debt of the Developing Countries*" which was subsequently presented by the NAM Chairman to the leaders of the G-7 through their Chairman on the eve of their Tokyo Summit in July 1993. Using that Memorandum as a basis for discussion, the Ministerial Meeting of Non-Aligned Countries on Debt and Development in Jakarta, August 1994, further deliberated on this extremely complex problem. The Meeting agreed on a set of principles in considering debt-reduction, including a "once-and-for-all" arrangement for setting all outstanding debts.

In this regard, it would be very relevant to point out that when James D. Wolfensohn had just assumed presidency of the World

Bank in late 1995, President Soeharto made it a point to meet him. Although President Soeharto had just relinquished chairmanship of the NAM at that time, he nevertheless took up a matter that he believed to be of urgent global concern: the multi-lateral debt burden of highly indebted poor countries (HIPC's). President Soeharto's concern seemed to have left a deep impression on Wolfensohn who has, since then, worked out a joint proposal with the International Monetary Fund (IMF) which outlines alternatives for reducing the overall debt burdens of highly indebted poor countries to sustainable levels. The proposal was subsequently approved by the developed countries concerned; by that time it had already involved the establishment of a Trust Fund to which the World Bank initially contributed US\$500 million. A six-year period for structural adjustments on the part of those countries wishing to qualify for debt relief under this programme has been proposed as a requirement -- too long in Indonesia's view. Support for this proposal by the developed countries concerned has been reaffirmed and now the next task is to raise the necessary funds to transform it into reality.

Soon after the Lyon Summit of the G-7 last year, President Jacques Chirac of France wrote to President Soeharto whose views had been sought earlier on the concerns of the developing countries, particularly the NAM members. In that letter, the immediate past Chairman of the G-7 conveyed the assurance that the latest G-7 Summit in Lyon, France had agreed on a framework for resolving the debt problems of the least developed countries through such measures as the Enhanced Structural

Adjustment Facility of the International Monetary Fund, the \$2 billion contribution to the Trust Fund pledged by the World Bank, and the commitment of the Paris Club members to raise its debt cancellation rate from 67 per cent to 80 per cent on a case-by-case basis.

If this momentum is maintained, there is hope that a good number of HIPC's may be able to escape from their present spiral of an increasing debt burden coupled with development stagnation, to the level of sustainability.

A start has thus been made in redefining the relationship between the developing countries in the Movement not only with the developed countries but also with the international financial institutions. I think that this should be followed through with a concerted effort on the part of NAM countries to take active part in the forthcoming review of the Bretton Woods institutions. It is important that developing countries should be able to arrive at a common approach on how to improve the efficacy and efficiency of these institutions which, after all, have a special role to play in the South-South process. The NAM is mindful of the fact that many projects of great merit within the framework of South-South cooperation could have withered on the vine if it were not for a third party, often an international financial institution, which came to the rescue.

Meanwhile, the NAM has intensified South-South cooperation and has adopted action-oriented strategies such as self-propelling growth. Founded on self-reliance, this strategy promotes community-based economic growth as well as the right of

the poor to participate in and benefit from development.

Perhaps the South-South initiative of the NAM that has had the greatest impact is the Asia-Africa Forum which was held in December 1994 in, most appropriately, Bandung. In this forum, a follow-up to the Tokyo International Conference on African Development (TICAD), the developing countries of the Far East which have impressed the world with their dynamic growth shared experiences, observations and insights with the developing countries of Africa. The forum has resulted in the establishment of a solid foundation for promotion of development cooperation between Asian and African countries. Now often referred to as the Bandung Forum, it could serve as a model for future South-South cooperation efforts: indeed the discussions were down-to-earth but insightful, and the representation was balanced with Africa learning from Asia as much as Asia learning from Africa.

Since there would be more such initiatives in South-South cooperation, the question of coordination inevitably came up. There was also a felt need for coordination in the anticipated endeavours of the countries of the South to hold dialogue and negotiations with the countries of the North. In view of this need for coordination, the NAM, through its Coordinating Bureau and working with the Group of 77, operationalised the Joint Coordinating Committee (JCC) in mid-1994. Thus the two major bodies of developing countries are now able to harness their collective strength to effectively and efficiently pursue various development projects within the framework of South-South cooperation as well as dia-

logue with their counterparts in the developed North.

For such a dialogue, the NAM has gone the "extra mile" by adopting an entirely new orientation and a new approach to its relationships with the rest of the international community and with international institutions. This is a sizeable contribution to the relaunching of a more earnest and effective global dialogue. The responses to this radical change in style has not at all been discouraging.

While directing a great deal of attention to economic issues, the NAM has by no means neglected the political sphere. It has continued to be seized with political issues as well as the tensions and conflicts which attend these issues. My personal observation is that during the past several years, the NAM has been growing in importance and effectiveness as an instrumentality for the solution of international political disputes or conflicts. One case of political dispute which degenerated into a humanitarian disaster is that of Somalia. In response, the Movement established a Task Force on Somalia which was very active in conveying humanitarian aid to that embattled land at a time when it was most needed. President Soeharto, as then Chairman of the NAM, sent special envoys on fact finding missions on Somalia and to participate in the endeavour to bring about a just and comprehensive political settlement to the internecine dispute which, unfortunately, until today has not yet reached a long-term peaceful solution.

Another humanitarian disaster in which the Movement actively tried to help, one of the greatest tragedies of this cruel cen-

tury, is that which befell Bosnia and Herzegovina from the early to middle 1990s. It is not necessary to describe the savagery of the aggression wreaked on Bosnia-Herzegovina nor of the long wait that the Bosnians had to undergo before effective action could be taken about their plight.

At one time, Indonesia as Chairman of the NAM offered its good offices to facilitate a peace process based on direct negotiations among the leaders of the states involved in the conflict, on the basis of certain principles that the NAM has always stood for, such as peaceful co-existence and non-interference in the internal affairs of other countries. The leaders concerned were apparently prepared to avail themselves of this offer of good offices by the NAM Chairman, but it was as that time that the United States took the initiative of launching a peace process which, happily, led to a peaceful and comprehensive political settlement of the Bosnia conflict.

The NAM Chairman continued to play the role of peace advocate primarily through the sending of Special Emissaries to various countries in conflict, most of the time working behind the scenes. A case in point is the nuclear issue on the Korean peninsula which Indonesia, as NAM Chairman, helped defuse precisely when it was getting extremely sensitive. The role that the NAM Chairman played in the eventual settlement of this issue has been expressly acknowledged and appreciated by the parties involved. The Movement's advocacy for the peaceful solution of conflicts is also being carried out in the forums provided by the workings of the United Nations.

On disarmament issues, the NAM has consistently sought a comprehensive, balanced and non-discriminatory approach. We believe that security should be sought through total nuclear disarmament, the elimination of all weapons of mass destruction as well as through balanced and progressive reductions of conventional armaments at global and regional levels. In this regard, it is indeed unfortunate that a Comprehensive Test Ban Treaty (CTBT) could not be completed in the Conference on Disarmament in 1996 largely because India, taking a harder line than its fellow NAM members, made good on its threat to block the treaty if it did not carry a commitment on the part of the nuclear states to get rid of their nuclear stockpiles within a definite time frame. Without in any way diminishing our resolve to achieve nuclear disarmament, linking it to the long-sought goal of establishing a CTBT is, in our view, unrealistic. The Treaty has been opened for signing at the United Nations General Assembly and Indonesia has signed it with the hope that the Treaty will obtain finally in the UNGA the support it needs in order to be able to serve as an effective instrument of nuclear disarmament.

The Movement has also remained firmly committed to its long-established position that a new international order can only be achieved through the central instrumentality of the United Nations. Moreover, we in the Movement feel that any new international order can only be generally acceptable if it is consistent with the principles and ideals enshrined in the UN Charter. Consequently, a judicious restructuring and revitalisation of the

United Nations remains in the highest priority of the Movement. In the endeavours to improve the working methods of the General Assembly, the NAM has been an active participant. Further work, however, needs to be done to define a clear concept of the role of the General Assembly so that it can exercise the powers given to it by provisions of the Charter.

We do feel that in the Security Council, the majority is disenfranchised and excluded from much of the decision-making that is taking place. Hence members of our Movement have demanded an expansion of the membership of the Council. They have also called for vigilance to ensure that the Security Council does not encroach on the jurisdiction and prerogatives of the General Assembly.

These are difficult advocacies but the NAM will continue to pursue them as it continues to modernise. At the Eleventh NAM Summit in Colombia in October 1995, Indonesia turned over to Colombia the Chairmanship of the Non-Aligned Movement. In his inaugural statement, the new NAM Chairman, President Ernesto Samper Pizano of Colombia, cited President Soeharto's statement during the Jakarta Summit that "national development must be focused on the people, must be of the people, by the people and for the people." The new NAM Chairman went on to state that "the citizens of all our countries must be the protagonists of Non-Alignment at the end of this century and the beginning of the next millennium."

Thus the NAM has been called on to become intensively people-oriented. This call carries with it a number of clear, fun-

damental implications: (a) since the foremost problem of people today is poverty, the Movement would have to address the problem as a matter of priority and urgency. The Movement's political action must now, in the words of the new Chairman, "be aimed at eradicating poverty, as in the past we ended apartheid and weakened colonialism;" (b) the major implication is that the people should not only be regarded as beneficiaries of development but also as the chief authors of their own development. For this reason, the new NAM Chairman stressed the need for an alternative model of development "that would allow us to be competitive without failing to invest in the people, properly combining the two magic words of the next century: competitiveness and equity."

This alternative model of development also envisions "a new citizen, more involved in politics, more productive in the economy, more concerned with social issues, more committed to the protection of the environment and more universal in his/her pacifist beliefs." For only such a citizen can provide the kind of sustained and vigorous support that the NAM needs in its struggle for a more peaceful, more just and more prosperous world order; and (c) the major implication is that if the livelihood of peoples of the developing world is to be preserved and enhanced, then the Movement must wage an effective struggle for the liberalisation of international trade and for the overcoming of current trends towards neo-protectionism.

This means that there should be greater solidarity among the countries of the South, particularly, among the Non-Aligned Coun-

tries in order to effectively wage such a struggle. Indeed, the inequities of the global economy cannot be redressed if the developing countries that compose the Movement cannot unite, coordinate and present a common front.

That struggle, however, should not be carried out through confrontation. It can only be achieved through approaches and an orientation that have already proven successful: by offering and seeking cooperation. This means an unrelenting pursuit of the North-South Dialogue and the eventual forging of a Global Partnership for development. This also means that the Movement would have to continue working for global peace and to prevent the world from becoming segmented into economic blocs.

That the NAM can effectively play such a role today is largely because there has been a growing recognition on the part of some of the major developed countries that the NAM has indeed adopted a moderate approach and is now greatly imbued with the spirit of conciliation and cooperation. Some governments in the West have even shown a greater appreciation of the goals that the Movement is trying to achieve.

What appears difficult to understand however is that there is no corresponding reappraisal of the NAM by the international media, particularly those that are based in Western countries. This is a concern that the NAM should address seriously so that the new orientation and approaches taken by the NAM would finally be reflected in the media of those countries so that there would be more vigorous

public opinion support for these governments in cooperating with and supporting the goals of the NAM. The Movement should no longer be left a victim of the imbalances of global information flow.

While the governments of developed countries as well as international organisations and institutions have responded positively to the new orientation and approaches of the Movement, the Western press has largely ignored the significance of the work of the Movement. One initiative that should be seriously considered is the convening of an international seminar on the work of the Movement where eminent media personalities could be invited to participate. At the same time the Movement will have to fine-tune its own media network while making more active use of private media. This is indeed one way of fulfilling the new NAM Chairman's exhortation that the Movement should draw closer to the people -- through an effective working relationship with the media.

At any rate, the Movement must continue advancing the cause of the Non-Alignment. The significance of the Eleventh Summit in Colombia lies not in its conveying a new message from the Movement to the world at large, but in its reiteration of the principles and ideals of Non-Alignment which are really timeless and immutable, and in its restatement of the objectives of Non-Alignment -- based on these unchanging ideals and principles -- in the context of today's realities. It is only natural, for instance, that topical issues such as the global drug problem should be given new emphasis. Recently,

President Soeharto had occasion to emphasize the continuity of the Movement, saying that the initiatives which Indonesia undertook during its chairmanship were not only welcomed in Cartagena but will also be further pursued. It is indeed a source of gratification for Indonesia that the Movement will continue to build on its initiatives on South-South Cooperation, the North-South Dialogue and external indebtedness.

In conclusion, it appears that the NAM became tremendously more effective in pursuing its goal of global economic reform when it revealed itself as a fervent advocate of conciliation, dialogue and co-operation. Conversely, it became tremendously more effective as a peace movement and as a political group concerned with security when it achieved breakthroughs toward a meaningful -- because equitable -- North-South dialogue and toward a global partnership for development. Hopefully this momentum could be maintained. If indeed the developed industrialised countries could thoroughly reciprocate NAM's extension of the hand of reconciliation, dialogue and cooperation at this crucial juncture in the course of international relations in the post-Cold War era, then developed and developing countries all together could give substance to the new international order we have long envisioned. Towards this lofty goal do we in the NAM also intend to contribute as much as we can not only to the conquest of poverty but also to the attainment of global peace and security. These are two principal goals of the NAM which, in the ultimate analysis, are really one.

Australia-Indonesia Relations: Regional Security Dimension*

J. Soedjati Djiwandono

AT this forum we are concerned primarily with Indonesia's relations with the Northern Territory of Australia in the economic and business fields. But we cannot possibly ignore the relations between our two countries as a whole, particularly in the security field, which serves to strengthen the foundation for the promotion of such specific relations and co-operation.

For its part, Indonesia's security is immediately linked with that of its neighbours in the region of Southeast Asia. This accounts for Indonesia's high priority on its relations and co-operation, including those in the security field, in the framework of ASEAN regional co-operation. Hence regional security in the present discussion refers to the Southeast Asian region. It will attempt to examine the way in which Australia and Indonesia

through their security relations may contribute to the security of Southeast Asia, and thereby enhancing their own security.

Indeed, while in geographical terms Southeast Asia is never clearly defined, it is hard to consider Australia as part of the region, despite remarks that the future of the country lies in this part of the world. On the other hand, Australia does belong to the South Pacific, in which it has been engaged in regional co-operation, particularly in the context of the South Pacific Forum, in addition to its obligations under agreements on security and defence co-operation with individual countries of the region such as Papua New Guinea.¹

The great importance of relations and co-operation in the security field between Australia and Indonesia has been demonstrated by the signing of the Security

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¹In the form of the Joint Declaration of Principles between the two countries in 1987 and the Agreed Statement on Security Co-operation concluded in 1991. See *Defending Australia: Defense White Paper 1994* (Canberra: Australian Government Publishing House, 1994), 92.

Agreement between the two countries near the end of 1995. In fact, it is the only agreement of its kind that Indonesia has ever signed with a foreign country. It is something that some in Indonesia see as being contrary, if not to the principle, at least to Indonesian foreign and security policy practice for half a century since its independence. It is therefore small wonder that the signing of the agreement has for a time stimulated some debate among what may be called the Indonesian foreign policy elite.

Thus in a sense, Australia has a role to play in the security of Southeast Asia. It is not, of course, something new at all. Australia has been engaged in a variety of forms of security co-operation with individual countries in the region such as joint military exercises and exchange of military personnel. The question is in what form this security role should take to enhance Australia's security co-operation with the countries of Southeast Asia, individually as well as collectively. In fact, Australia has been tied even more firmly with some other Southeast Asian countries, namely, Singapore and Malaysia, in the Five Power Defence Arrangement (FPDA). Without in the least suggesting that the Australian-Indonesian Security Agreement is to counter the FPDA, it may be true to say that the agreement has somehow helped to alleviate Indonesia's well-known displeasure with the FPDA all these years.

It is to be noted, however, that the differences in the nature of relations between Australia and the South Pacific, on the one hand, and that between Australia and Southeast Asia, on the other, also affects

Australia's security relations and co-operation with these two different regions. With the South Pacific, Australia's security relations and co-operation have been described as "constructive commitment", whereas with Southeast Asia it is "comprehensive engagement".² And under this term, which is multidimensional in character, Australia's security engagement in Southeast Asia goes beyond traditional concerns with threats of an overtly military nature.³

Regional Co-operation Today

With the end of the Cold War, the countries of Southeast Asia will no longer face the danger of getting embroiled in an East-West confrontation or the threat of great power interference in the context of East-West competition. From that perspective, the end of the Cold War has created a more peaceful international climate in the region. Either directly or indirectly, the new climate has been favourable to the development efforts of the countries of the region. It has provided greater opportunity for the promotion of economic and trade relations among states without political constraints brought about by Cold War bipolarization.

It does not follow, however, that peace and stability has thus been created in the Southeast Asia, for the problem of security in the region has always been com-

²Desmond Ball & Pauline Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s* (Canberra: Allen & Unwin, 1996), 16.

³*Ibid.*, 76.

plex and multi-dimensional in nature. In fact, for Southeast Asia, the Cold War was just one dimension of its security problem. This is not to underestimate its importance and its impact on the region. The conflicting global interest of the two superpowers of the Cold War combined with domestic instability in Southeast Asia was epitomized for a time in the ideologically divided Southeast Asia into communist and non-communist nations. And for years the then Republic of South Vietnam was regarded as the bastion or the front-line state of the non-communist world in Asia, the importance of which was sustained by the so-called "domino theory".

Aside from the context of the Cold War, the region has always contained within itself various seeds of potential conflicts, both domestic and inter-state. East-West competition of the Cold War had often exacerbated existing conflict situations of both types because of the support given by the two blocs for their respective protagonists in the conflicts to serve their own interests. Many nations of the Third World, including those in Southeast Asia, were then factors in the strategic calculations of the great powers. For that reason, the importance of such regions as Southeast Asia for a long time derived their importance from their strategic significance to the great powers. However, while it was not unlikely that in the interest of their own competition they might encourage such conflicts, they were not always nor necessarily the primary sources of the conflicts themselves.

The fact remains, nonetheless, that even during the Cold War such conflicts frequently beset Southeast Asia, in addition to va-

rious seeds of potential conflict in the future. The continuing conflict situations in Cambodia and Myanmar are among the examples, which have survived the Cold War and which are basically domestic conflicts, although the former had initially involved external powers. And examples of inter-state conflicts, actual as well as potential, abound.

At least for some time to come, the end of the Cold War has eliminated the prospect of a world war. But while gone are the days of wars by proxy, the world has continued to be beset by local and regional conflicts. Some of these have been going on since well before the end of the Cold War, and some others have broken out thereafter. Hence the significance of sub-regional and regional approach and co-operation. The countries of various regions of the world should now bear the primary responsibility for the peace, security and stability of their respective regions. The ASEAN member states realised that responsibility at the very inception of the association as stated in the founding Bangkok Declaration of 1967.

In regional co-operation, it would be generally much easier to find areas of common interests and common problems among states than in a wider scope. And thus common grounds are easier to find upon which to promote mutually beneficial relationship and co-operation. Regional co-operation would also serve as a cushion or an umbrella that would ensure the maintenance of bilateral relations and co-operation, often dampening existing differences or even conflicts in the bilateral relationship of any two nations involved in a regional co-operation. This is true especially after each

of them has developed an increasingly great stake in their regional co-operation.

ASEAN is a good example in this respect. It continues to flourish despite the fact that practically disputes are to be found practically in the bilateral relations of any two of its member states. One lesson to be learned from this experience is that nations can still promote and maintain mutually beneficial relations and co-operation in spite of the existence of differences or even disputes. Without ASEAN such disputes would have readily surfaced into the open and some may even have developed into armed conflicts. At all events, ASEAN has succeeded, as it were, in sweeping such problems under the carpet, at least pending their final settlement by peaceful means. A dispute should not be the focus of relations among nations, nor should it hinder the promotion of such relations and close co-operation, which would precisely help to find its solution. In any event, regional co-operation may help create a climate that would be favourable or conducive to finding a peaceful solution.

ASEAN Security Co-operation

Co-operation in the security field is not new to the countries of Southeast Asia, on either bilateral or multilateral basis. Co-operation in the security field between ASEAN member states, however, has continued to be conducted outside the framework of ASEAN regional co-operation, be it on a bilateral or multilateral basis. What clearly distinguishes the present security co-operation between ASEAN member states

from any previous security arrangements is the absence of the involvement of any external great power.

In the post-Cold War era, and particularly as far as Southeast Asia is concerned, the name of the game remains "security" rather than "defence" whenever the reference is to co-operation between states, whereas "defence", in addition to "security", refers particularly to the need and responsibility of the individual countries.⁴ But even the more general term "security" means different things to the countries of Southeast Asia and the Asia-Pacific region at large. There are differences among them in security perceptions, problems and concerns. There will be different answers to the question of "security from what?" In Southeast Asia as well as in the wider Asia Pacific region, security is to be understood in a comprehensive way. Hence the concept of "comprehensive security", which was conceived and formulated well before the end of the Cold War.

"Comprehensive security" is commonly known primarily as the Japanese concept,⁵ but later on Malaysia has also de-

⁴One consideration in the *Agreement Between the Government of Australia and the Government of the Republic of Indonesia on Maintaining Security* signed in December 1995 says, among other things, "RECOGNIZING that each Party has primary responsibility for its own security"; and the word "defense" is used once if devoid of any intention of defense assistance: "MINDFUL of the contribution that would be made to their own security and that of the region by co-operating in the development of effective national capabilities in the defense field and hence their national resilience and self-reliance".

⁵See, among others, Robert W. Barnett, *Beyond War. Japan's Concept of Comprehensive National*

veloped its own concept of "comprehensive security".⁶ Under the "New Order", Indonesia has developed the concept of "national resilience" and "regional resilience". Different terminology has been used, or the same terms, particularly "comprehensive security" as used by the Japanese and the Malaysians, may be different as regards historical backgrounds and ways of explanation and formulation. But the essence seems to be basically the same, besides slight differences in nuance and interpretation.⁷ Both national and regional resilience have been accepted and used more or less interchangeably within ASEAN circles. And both have found their place in ASEAN official documents, particularly the Declaration of ASEAN Concord signed at the Bali Summit in 1976.

The central question is whether in the post-Cold War era security co-operation is still of relevance and significance to the countries of Southeast Asia. And if so, what purposes should it serve, whether it is to be promoted on bilateral or multilateral basis, and how it would be related to external great powers. Although not as yet involving all the countries of the region as referred to before, ASEAN may

serve as a good model, precisely because its establishment as a regional co-operation was motivated primarily by security considerations, and aimed, if in general terms, at the promotion of peace and security of its member states, individually as well as collectively constituting the region of Southeast Asia.

As mentioned before, security co-operation among the ASEAN member states has been maintained outside the ASEAN framework. Not all member states, however, have been involved in such bilateral or trilateral security co-operation. The limited scope of security co-operation within the framework of ASEAN may be due to these reasons: *Firstly*, there have continued to be unresolved territorial disputes between certain member states of ASEAN. *Secondly*, probably as a remnant of the Cold War, a multilateral security co-operation has continued to give the image of a military pact with the involvement and backing of an external great power. And past experience shows that the presence or involvement of a great power in such a multilateral security co-operation might precisely invite external interference whenever a domestic or interstate conflict occurred that involved one of the parties to the security arrangement, or a neighbouring state.⁸

Thirdly, member states of a multilateral security co-operation are usually bound together by a common perception of an external threat as in the case of NATO, SEATO, and the Warsaw Pact during the

Security (Washington: Pergamon-brassey's, 1984); and Alan Rix, "Japan's Comprehensive Security and Australia", *Australian Outlook* 41, no. 2 (August 1987): 79-86.

⁶See Noordin Sopiee, "Malaysia's Doctrine of Comprehensive Security", *Journal of Asiatic Studies* XXVII, no. 2 (1984): 259-267.

⁷Muthiah Alagappa, "Comprehensive Security: Interpretations in ASEAN countries", in *Asian Security Issues: Regional and Global* ed. Robert A. Scalapino, Seizaburo Sato, Jusuf Wanandi, and Sung-joo Han (Berkeley: Institute of East Asian Studies, University of California), 50-79.

⁸See George McTurnan & Audrey Kahin, *Subversion as Foreign Policy* (Ithaca: Cornell University Press, 1995).

Cold War. As far as the countries of Southeast Asia, even the ASEAN member states, are concerned, such a common perception of threat of external nature has never been, and most probably will never be, developed. There are to be found among the member states of ASEAN such more or less constant and different factors as geopolitical set-up, size of territory and population, and historical backgrounds, which will continue to shape their different and perhaps unchanging perceptions of threat to their security, especially of external nature.

Fourthly, the nature of security problems between any two member states of ASEAN in their bilateral relations is almost infinitely different. Thus *fifthly*, common problems and common approaches to such problems are likely to be easier to find in a bilateral than in a multilateral framework, even if a common perception of external threats remains lacking.

Towards Expansion and Multilateralism?

It may be argued, however, that security co-operation in Southeast Asia may be geared towards multilateralism, or at least extended so as to engage other such regional powers in the Asia-Pacific as Australia. In Southeast Asia, especially after the withdrawal of the American military bases from the Philippines, pressures were mounting for some time for the promotion of multilateral defence and security co-operation within the framework of ASEAN. It seems to point to a recognition, an awareness, or a premonition that the end of the

Cold War has not automatically created peace and stability in Southeast Asia and even the wider the Asia-Pacific region. On the contrary, the demise of the Cold War seems to have created more complex problems of defence and security for Southeast Asia. And in any event, the end of the Cold War has created considerable uncertainty in the region, though it is true also with the whole world, in that it is not as yet clear what kind of power constellation or world order is likely to take shape in lieu of the Cold War.

The main problem for the countries of Southeast Asia is not whether security co-operation is still necessary. The problem is whether the form of security co-operation that has been undertaken so far among the ASEAN member states should be continued on bilateral basis, so that eventually there will develop a web of interlocking bilateral relationships or whether such co-operation should be promoted to the multilateral level, within the framework of ASEAN. If so, how should it relate to external powers, particularly the great powers? The need for the present, however, seems to be the strengthening of security co-operation on bilateral basis, for even this bilateral framework is yet to be expanded so as to involve all the member states of the association, which by the end of the century will have comprised all the ten countries of the region. The web is still incomplete.

That is by no means to suggest that the possibility of promoting security co-operation on a multilateral basis is to be ruled out altogether. But present circumstances would not favour such an undertaking for

the countries of Southeast Asia. The region is marked by diversity in terms of security problems, because of nature of differences referred to earlier on.

Indeed, while strengthening and expanding the network of bilateral security co-operations such as now under way among ASEAN member states, certain factors may nevertheless be considered and certain steps taken to pave the way for future security co-operation on a multilateral basis, not only within but also beyond ASEAN, including Australia. The question of a common perception, particularly of external threats, as a glue that may serve to bind together the parties to a multilateral security co-operation, may be open to debate.

The key to the solution of this problem is the aim of such a multilateral co-operation. A common perception will be necessary, if such co-operation should be directed against a common external enemy. However, one may consider the possibility of a multilateral security co-operation within the framework of ASEAN and beyond that is not directed against any common external threat or enemy, so that there is no need for such a common perception. It does not mean, nonetheless, that a security co-operation, be it on bilateral or multilateral basis, needs a common perception of an internal threat. Although in the Declaration of ASEAN Concord mention is made of an internal threat in the form of subversion faced by the members states of ASEAN, the source or nature of such a threat of subversion may vary from one member state to another. Furthermore, even in the event that the source or nature of such a threat of subversion may be the same for

all ASEAN member states, the problem of domestic security should basically be the sole responsibility of the individual member states concerned. Any co-operation in this field would perhaps be limited to an exchange of information and ideas, by which the member states may learn from one another's experience.

If not directed against any common external threat or enemy, an ASEAN multilateral security co-operation should then serve as an extension or expansion of regional co-operation to reduce mutual suspicion and to build mutual confidence. In other words, it will be a form of confidence-building measure (CBM). Therefore, such a co-operation will have no need for a formal structure of its own, but it may form an integral part of ASEAN regional co-operation as a whole and in its co-operation with external powers. What is most important will be its common programme of activities. These may cover co-ordination in the procurement or manufacturing of weapons and other military equipment that may lead to some form of balance in the field among the member states, which in turn will increase transparency and enhance confidence building; co-ordination in training, education, and exchange of military cadets and their teachers; military exercises; exchange of information and co-ordination in the formulation of strategic concepts and planning as well as military operation; search and rescue operation (SAR); exchange of intelligence, etc. Co-operation in such fields will also result in greater efficiency in human and financial resources for the development of skills and the advancement of weapons and military technology.

Of greater importance, however, is that such a multilateral security co-operation will not be a military pact in the traditional or conventional sense of the word that we normally understand, and will not be directed against any nation. Nor will it involve or need the backing of any external great power. Apart from confidence building, such a co-operation will help prevent and contain possible differences or conflicts among member states. And in that sense it will help prevent any possible threat of external interference, a preoccupation that has strongly motivated the establishment of ASEAN in the first place.

The reluctance indicated or expressed by many countries in the region is towards the idea of moving too fast towards a definite structure or organisation for a multilateral security co-operation, especially as mentioned before, what "security" means continues to be different for different countries. Their security problems, concerns and perceptions vary.

The Need for Confidence-Building

In other words, confidence building is what the countries of Southeast Asia need most at this stage, especially in relations to external powers. In the meantime, areas of common interests should continue to be sought, identified and expanded, on which multilateral co-operation in many fields may be founded and promoted for common benefit. This would eventually create an atmosphere that may be conducive to the peaceful settlement of existing disputes. Only then would hopefully the countries of the region be ready to embark on

a more structured security co-operation on a multilateral basis.

A regional or sub-regional approach is also likely to facilitate interaction in a multilateral framework. It will ensure greater intensity in the relations and co-operation among states and areas of common interests and common problems, and thus common grounds upon which to promote mutually beneficial relationship and co-operation. Here lies, in the meantime, the importance of confidence-building measures (CBMs), or confidence and security-building measures (CSBMs), or trust-building measures.

As mentioned before, traditional forms of security co-operation, particularly in the military field, which were germane to the Cold War, with the backing of a superpower and directed towards more or less a well-defined external enemy are definitely no longer relevant. In the mean time, in search of an appropriate form of security co-operation in the light of actual and potential conflicts, ill-defined security concerns and perceptions, mutual suspicions, and other forms of uncertainty, CBM is the most appropriate form of security co-operation, especially as applied to a wider region such as the Asia-Pacific region. The concept of CBMs understood in Europe within the context of OSCE has a strictly military content such as "the prior notification of major military manoeuvres on a basis to be specified by the Conference, and the exchange of observers by invitation at military manoeuvres under mutually acceptable conditions".⁹ For South-

⁹Victor-Yves Ghebali, "Confidence-building measures within the CSCE process: Paragraph-by-para-

east Asia and the larger Asia Pacific region, CBMs may be broadly understood as including "both formal and informal measures, whether unilateral, bilateral, or multilateral, that address, prevent, or resolve uncertainties among states, including both military and political elements".¹⁰

Such measures are aimed at contributing to a reduction of uncertainty, misperception, and suspicion and thus helping to reduce the possibility of armed conflicts. The intent is to alleviate tension and reduce the possibility of an armed conflict. A CBM is not to be conceived as an institution, but rather as a stepping-stone or a building block. It represents a means to an end. And by laying the groundwork, it may serve as a useful precondition for effective institution-building.¹¹

CBMs help manage problems and avoid confrontations between states. But they do not include mechanisms for conflict resolution or other attempts to redress or deal with ongoing crises, for which preventive diplomacy is needed. Thus the concept of confidence building measures (CBM) is used to convey the idea

graph analysis of the Helsinki and Stockholm regimes", *Research Paper No. 3* (New York: Unidir, 1989), 3.

¹⁰Ralph A. Cossa, *Confidence and Security Building Measures: Are They Appropriate for Asia?*, Summary and Analysis of the Council for Security Cooperation in the Asia Pacific's Confidence and Security Building Measures Working Group Seminar (Honolulu, Hawaii: Pacific Forum CSIS, January 1995), 6; see also *Asia Pacific Confidence and Security Building Measures* ed. Cossa (Washington, D.C.: CSIS, 1995).

¹¹Cossa, *Confidence and Security Building Measures*, 7.

that a regional security consensus can be developed through less formal approach, built upon a base of (personal) political contacts and relationships, taking into account the security situation that prevails in each region or subregion. The approach, however, should be a graduated one and aims at: reducing tensions and suspicion; reducing the risk of war by accident or miscalculation; fostering communication and co-operation in a way that helped to de-emphasise the use of military force; bringing about a better understanding of one another's security problems and defence priorities; developing greater sense of strategic confidence in the region.

Australia's Role?

On the basis of the above discussion, therefore, it seems clear that, FPDA notwithstanding, Australia is to play a security role in Southeast Asia to the extent that it is engaged in various forms of security co-operation, either on bilateral or multilateral basis, or both, with the countries of Southeast Asia. Thus in playing a role in the regional security of Southeast Asia, in which understandably Australia has a vital interest, it is definitely not to defend or help defend the countries of the region, neither individually nor collectively, against an external source of threat, except perhaps in the old context of FPDA, even if the term "defence" often continues to be used in referring to security co-operation.¹²

¹²It is said, for instance, in *Defending Australia*, that "We will continue to give highest priority in our regional defence approach to the pursuit of our

The term "co-operation" can also mean "co-ordination", especially in view of the fact that co-operation between ASEAN states in the security field is not as yet promoted within a definite structure. This, in my view, precisely provides ample opportunity for Australia to engage itself in a security co-operation with the countries of Southeast Asia, either on bilateral or multilateral basis or both, as mentioned before, without impeding its role and engagement in another region, particularly the South Pacific, on bilateral or multilateral basis, in the framework of the ARF (ASEAN Regional Forum), nor its international commitment in the context of ANZUS or the United Nations. Indeed, these may even be complementary and sustaining one another.

It is important, however, that there should be no perception in Australia of any of the countries of Southeast Asia as a potential threat to Australia's security in the future, as has often happened with regard to Indonesia, particularly on the part of some circles. On the other hand,

interests with the countries of South-East Asia" (8, 7, p. 86); and "Our defence relationship with Indonesia is our most important in the region and a key element in Australia's approach to regional defence engagement" (8, 11, p. 87).

it may be argued that closer co-operation in the security field between Australia and the countries of the region may precisely help overcome such a perception. Hence the importance of Australia-Indonesia security agreement.

Two important factors, however, are to be taken into serious consideration. One is that Australia's security co-operation with the countries of Southeast Asia, and thus its security role in the region, sustained by an agreement, bilateral or multilateral, should never create the impression of "containing" a third country, especially a major external power like China, nor should it easily give room for such an interpretation. Otherwise it would run counter to the current policy of ASEAN to engage external major powers in a regional structure. The other is that in the event that Australia enters into a security arrangement or agreement with any one member state of ASEAN on a bilateral basis, such as one with Indonesia, not only certain external major powers with great interest in the region such as China, but also the rest of the ASEAN states need to be kept well-informed so as to avoid unnecessary misunderstanding, which would make such an arrangement, no matter how well-intended, counter-productive.

ASEAN and India: Dawning of New Partnership

Ganganath Jha

TRENDS in recent developments in relations to the Association of Southeast Asian Nations (ASEAN) indicate that India is considered important factor in the stability and development of Southeast Asia. Whether it is an issue of democracy, human rights, environment, trade or investment, there is convergence of interests. There are commonalities in Indian and Southeast Asian viewpoints and the partnership is taking firm steps for cooperation. Although there are bureaucratic hazards in the way, it is not sufficient to dilute booming partnership.

Historical Overview

The geographic setting of Southeast Asia testifies that India, China and Australia, are situated on its three different frontiers. All of them have tried to project their interdependence with Southeast Asia and expressed their support for regional peace and stability. They have promoted dialogue and coordination through regional forums and thus the consensus

is emerging on security and economic matters. Hence ASEAN is emerging as a key actor in the politics of the Asia-Pacific and *primus inter pares* for the success of India's "Look-East" policy.

Although India, China and Australia have projected their importance in the stability and development of Southeast Asia, the ASEAN perception of their role has varied and has been changing from time to time.

Australia has been most successful in demonstrating its devotion for partnership ever since the end of the Second World War. As an active member of the Southeast Asia Treaty Organization (SEATO) and Five Power Defence Pact (FPDP) and through "dialogue partnership", it understood Southeast Asian interests and made consistent efforts to lay solid foundations of friendship.

China and India, however, were not associated with either SEATO or FPDP and were regarded as destabilising factors at one stage or the other. China began to review its ASEAN policies after the signing

of the Shanghai Communique (1972). It snapped government level support to the Communist Parties in Southeast Asia and looked for evolving economic partnership with ASEAN. It accelerated government level contacts with ASEAN countries and supported the policy of trade and commerce with the latter.

India, unlike China, was not connected to any subversive organisations in Southeast Asia and assumed that its geographic location in the middle of West Asia and Southeast Asia could not be ignored in any strategic calculations of the region. It felt frustrated when it was initially ignored in the politics of ASEAN. They underestimated the importance of each other and were swayed by the Cold War innuendos. It is felt in retrospect that India was also self-righteous and did not make any substantial effort to cultivate ties. That proved a boon for India's adversaries in the region. It is a reality that the ASEAN-Chinese relations grew by leaps and bounds especially after Vietnam's intervention in Cambodia (1978).

China like ASEAN, was emphatic to propagate that Vietnam posed security threats to the stability of Southeast Asia. Vietnam's intervention in Cambodia proved a rallying point for the US, China and ASEAN and they projected Vietnam's behaviour as hegemonistic. They also decided that Vietnam must withdraw from Cambodia or it would be internationally isolated. They inadvertently or advertently supported the policy of "bleeding Vietnam white".

India, however, did not agree with the ASEAN prescription to resolve the Cam-

bodian tangle and expressed sympathies for Vietnam. This was not appreciated by ASEAN and therefore India was viewed a threat to regional stability. It was projected as a surrogate of the Soviet Union, a destabilising factor in the politics of ASEAN.

India was friendly with the Soviets and they had supported each other in times of crisis, but this partnership did not nurture negative agenda for Southeast Asia. It was just a coincidence that the Soviet Union, India and Vietnam became close friends and the dynamics of the Cold War proved them on opposite side of the ASEAN. It was unfortunate for all the three but India had to pay heavily in terms of economic, political and strategic calculations.

But the situation began to change rapidly in the beginning of 1990s. ASEAN now attached priority to partnership with India. Both began reviewing their economic and foreign policies constantly and provided forceful thrust to "Look East" policy.¹ They tried to adjust and accommodate their common interests to the greatest possible extent. Thus, India has succeeded in projecting a new image

¹"Look-East Policy" as defined by Foreign Minister Inder Kumar Gujral, is not an attempt to detach India from subregion of South Asia or of looking away from the West. "What 'Look-East' really means is that an outward looking India is gathering all forces of dynamism -- domestic and regional -- and is directly focussing on establishing synergies with a fast consolidating and progressive neighbourhood to its East in the mother continent of Asia". For details see the statement by H.E. Mr. Inder Kumar Gujral at the meeting between ASEAN and its Dialogue Partners, Jakarta, 24 July 1996.

which is complementary to the ASEAN endeavours of amity, peace and cooperation. It is also interesting now to note that both India and Russia are full dialogue partners of ASEAN.

It is understood that although India tried to be always friendly, its positive image had been tarnished because of its close friendship with the Soviets. However, with the end of the Warsaw Pact, COMECON and the Soviet Union, global environment changed, and this had its impact on the power politics of the ASEAN region.

Vietnam introduced economic reforms in the name of "doi moi", to cope with the existing realities and looked for partnership with ASEAN, to which it had opposed for decades. It withdrew its forces from Cambodia and cooperated with ASEAN to resolve the dispute. It pursued economic liberalisation and market economy to woo foreign investments and supported ASEAN consensus in matters of regional economic and security. It expressed total support to ASEAN Treaty of Amity and Peace, and to ASEAN search for conflict resolution on the overlapping sovereignty claims of the Spratlys. The ASEAN partners felt satisfied and in 1995 offered its membership to Vietnam.

However, changes in India are always gradual and slow. The impact of the Soviet dissolution was far-reaching. This reality was unacceptable to a section of the people and the situation have not changed fully even now.

Having a democratic polity and Communist Party as a coalition partner in New

Delhi, socialist and populist slogans are very often given credence. Hence policy changes cannot be introduced without creating a suitable public opinion. India, with its multi-party system and with leftist, rightist, centrist and regional parties, have always expressed divergent opinion on economic reforms and liberalisation.

Nevertheless the global change forced the government to adapt themselves in the emerging world order. India thus began to review its economic policies and reorient its system in line with the demand of the global economy. In that endeavour, it felt that ASEAN had the potentials to help her. Thus India extended cooperation to the ASEAN efforts in establishing peace in Cambodia and bringing warring factional leaders of Cambodia to the Jakarta Informal Meeting (JIM I and II), and later cooperated with the United Nations's Transitional Authority in Cambodia (UNTAC) operations. Thus it contributed its share in establishing peace and democracy in Cambodia to the satisfaction of the ASEAN leaders.

Meanwhile ASEAN also reviewed its policies and started attaching role to India in regional matters by offering a "sectoral dialogue partnership", in 1992.

Accordingly cooperation in trade, investment, tourism, science and technologies were promoted. ASEAN-India Business Council (AIBC), which was established to look after these matters gave their expert opinion and plans for cooperation and collaboration. Thus interaction between India and the ASEAN leaders grew and both showed understanding and goodwill for each other.

India's former Minister for External Affairs, Pranab Mukherjee reiterated this and urged the Indian business community in a symposium on 13 March 1996, that they should set a target for establishing two or three major impact projects every year in India, in one of the ASEAN countries, or in third countries with the ASEAN collaboration. R&D efforts between India and the ASEAN should be strengthened as a number of projects are on the anvil in three areas, such as information technology, advance materials and bio-technology to make them truly viable and self-sustaining enterprises by joining in the co-operative effort.²

In fact, there are compelling circumstances for India and the ASEAN to work together. They are facing similar challenges and feeling similar concerns in the emerging world order. They do feel a need for each other and this perception is congenial for stability, peace and progress of the region. It is this reason besides imperatives of economic paradigms that ASEAN offered full dialogue partnership to India in its fifth summit meeting in Bangkok in 1995.

India aspired to arose friendly feelings towards ASEAN during the Cold War years, but its association with the Soviets, socialistic drives at the domestic level and controlled economy, came in the way. Furthermore India's economic performance was poor and international propaganda against its poverty was vicious.

It is understandable that because of the rapid rise in population, corruption and mismanagement, economic problems were complicated. The free press highlighted negative developments with juicy tales and our regional image as "poor and impoverished" were effectively established.

The ASEAN emerged as a major actor in the politics of the Asia-Pacific after the end of the Cold War and it offered opportunities to India to come closer. Both India and Southeast Asia were facing similar challenges in the post Cold War period because the United States, the victor of the Cold War and protector of the ASEAN states so far, began transforming the world order and thus emphasis was given to promoting democracy, human rights, environment, and free trade, etc. at the global level, to the advantage of western powers.

The ASEAN states did not object to the broad objectives of the emerging international order, if they would contribute to better and more civilized living, but the ASEAN member countries did not like certain western standards that were sought to be thrust upon them. They began to articulate their responses *vis-a-vis* the western concept of democracy, human rights and environment and in that process India offered a complementary role.

Democracy

Although democracy is important as a civilized system of government, some important precautions are needed to transform any political system. If a system is removed without a smooth transitional arrangement and without evolving con-

²*Hindustan Times*, 14 March 1996. Also see, D. Banerjee, "Southeast Asia and India: Emerging Opportunities", *Strategic Analysis* 17/6 (New Delhi, September 1994): 703-716.

ductive political institutions, it is short-lived. For instance, the Soviet Union under M. Gorbachev introduced *perestroika* and *glasnost* without assessing its impact on the unity and integrity of the nation. Those reforms ultimately caused fragmentation of the nation and resulted in destabilising the international system. Similarly "guided democracy" of Soekarno in Indonesia (1958-1965) failed because the infrastructure to sustain it were fragile and faulty. Again the democratic experiments in Myanmar under the stewardship of U Nu failed because of his liberal attitudes and poor projection of his performance.

Democracy should reflect the type of society, their customs, conventions and their overall moorings. It may differ from one country to another and there is no single model. Abraham Lincoln defined democracy as the government of the people, for the people and by the people. Since they vary from one region to another, there cannot be a unified code of conduct to implement it.

Thus implementation of democracy, as Jusuf Wanandi puts it might be relative and dependent upon history, values, stages of development and the like, and differences in the implementation cannot be avoided. In order to have stability and development, efficiency and "good governance" cannot be ignored. It appears that most of the Southeast Asian states started with democratic system in the post-independence era, but failed because they could not provide the evidence of "good governance".³

³Jusuf Wanandi, "Confrontation on Human Rights", *Indonesian Quarterly* XXI, no. 3 (Jakarta, 1993): 246.

Anarchy and chaos are detrimental to development and without development any polity would be shortlived. The democracy can succeed if the constitution sufficiently reflects local realities, conventions and culture. The best type of functioning democracy in South and Southeast Asia can be found in Malaysia and Singapore in terms of reflecting traditional norms. The people in general have faith in their order and it has stimulated development. The Malaysian or Singapore model may not be ideal from the viewpoint of the Western standards but they are certainly exemplary for the Third World.

It is understandable that every country has to evolve their respective indigenous political order, and their sovereignty demands that they should oppose imposition of values from outside. South and Southeast Asians have already imbibed western values during the colonial period and some of them are obstacles in establishing democracy at present. Though most of the Asian countries are independent yet they look towards their former colonial masters for suitable model of democracy and governance. On the other hand, there are some countries which are assertive and innovative in looking for indigenous models.

The ASEAN countries for instance, are trying to articulate their different viewpoints and asserting it at international fora. India has taken note of it and is interested in supplementing it. It believes that closer ties with the ASEAN would ultimately help reassert Asian identity, for which it had worked through the Afro-Asian Conference, Bandung Conference and non-alignment (NAM). Although

the quest for Asian identity was appealing, it was lost in the dusty winds of the Cold War. Now there are positive changes in the regional environment that may prove conducive to regional integration.

Human Rights

India adheres to the universal declaration of human rights (1948) and also to the declaration of civil and political rights (1976) and has also established its own Human Rights Commission to monitor it. However due to certain developments, it has been subjected to criticism of human rights violations, which is a sensitive issue. Similarly some ASEAN countries are also criticized for human rights violations and thus India and some ASEAN partners feel similar concerns.

It is a reality that there are separatists and terrorists in India and parts of South-east Asia. They are organised and instigate people on religious, ethnic or linguistic grounds. They operate violently and vitiate peaceful communal life. They engage themselves in collecting ransom, kidnapping, looting, raping and murdering of opponents. They foment fear psychosis and violate human rights of those who are generally law-abiding and innocent. The state is therefore forced to intervene and take "police action", resulting in omission and commission. An understanding of the developments in Kashmir, Mindanao, Patani, Arakan and Jaffna suggests that the state intervention was first to protect civil rights of the general people and secondly to prevent fragmentation of the state.

The state intervention provokes chain reactions and the communal harmony is disturbed. The right to life of all those isolated from terrorist organisations are threatened and those supporting the government are labelled enemies and forcibly evicted from their homelands or killed. Thus the "police action", very often proves itself a necessary evil and sometimes counter-productive. The police tend to display brute force. If the local people obey them, the terrorists will attempt to foil them by murder and extortion. If the people support the terrorists, they will be projected "fifth columns" and punished by the state.

The separatists do often talk about cultural imperialism or "cultural relativism" as a compulsive factor for their emergence. The proponents of "cultural relativism" view universality of human rights help the process of imposition of dominant culture on minorities. They understand that there is no such thing as universal rights, and the natural rights theory ignores the social basis of an individual's identity as a human being, because a human being is always the product of some social and cultural milieu. The different traditions of culture and civilisation are different ways of being human; it follows, therefore, that rights which belong to all human beings at all times and in all places are rights which people have as desocialised and deculturised beings.⁴

⁴T. Mulya Lubis, "Human Rights Standard Setting in Asia: Problems and Prospects", *Indonesian Quarterly* XXI/1 (1993): 28 and also see A.J.M. Milne, *Human Rights and Human Diversity* (Albany: Albany State University of New York Press, 1986), 1.

Thus "cultural relativists" are trying to influence human right activists. It is commonly understood that each ethnic, cultural and religious groups are important within the boundaries of a nation, and the endeavour of the state is to provide similar opportunities equally to all, but majority of opinion cannot be ignored in either democracy or dictatorship, and that is applicable at the universal level.

But Third World countries are very often reprimanded or subjected to queries about violating minority rights. A study of the United Nations's High Commission for Refugees (UNHCR), Amnesty International, and Asia Watch testify that they critically evaluate the performance of the Third World vis-a-vis minority rights. This provides encouragement to separatists inadvertently and thus they establish contacts with those organisations and foment trouble at the local level.

The human rights forums are generally sympathetic to minority groups and biased against the state in case of a conflict. This is a cause for concern to India, Indonesia, Myanmar and others. The US and the EU very often give undue emphasis on international covenant on civil and political rights and optional protocol of civil and political rights (1976). These international documents assume more importance to evaluating human right situations in the Third World. Respective Southeast Asian states are very sensitive to evaluation of their records by external agencies in Aceh, East Timor, Mindanao, Chalon, Patani, Karen, Rohang etc. and so is India vis-a-vis Kashmir.

There are some subtle differences between the western concept of human rights

and that of the Third World. Mr. Jusuf Wanandi of Indonesia has aptly summed up these differences into four headings -- (a) Universality of Human Rights (West) versus cultural relativism; (b) the stress on civil-political rights (West) versus socio-economic and cultural rights; (c) individual rights (West) versus communal and societal rights; and (d) sanctions for human rights violations in relation to the principle of intervention. He has explained the Third World dilemma and analysed the problems they may follow if the proposed sanctions by the West is implemented for human rights violations.⁵

Both India and the ASEAN countries are opposed to the imposition of western standards and they advocate a common approach to attend grievances connected with human rights. India's Premier, P.V. Narasimha Rao spoke in course of his visit to Thailand that "international relations face fresh problems such as the inclination amongst some countries to impose their own perceptions and values on others. Human Rights is an example. Countries like ours, committed to preserving fundamental human rights in an exceedingly difficult situation created by terrorist attacks on innocent civilians, are targeted for scrutiny and criticism. Now conditions are sought to be placed on the giving of assistance that is meant for the poor and needy."⁶

⁵Jusuf Wanandi, n. 3: 245; also see "Human Rights and Democracy in the ASEAN Nations: Next 25 Years", *Indonesian Quarterly* XXI/1 (1993): 14-24.

⁶P.V. Narasimha Rao in a banquet speech in Bangkok on 7 April 1993 and *Bangkok Post*, 8 April 1993.

The leaders of the ASEAN have expressed similar views that they dislike to be dictated on the question of human rights and express their allegiance in the Universal Declaration of 1948. If sanctions are to be imposed, it should not ignore the objective conditions and interests of the Third World.

Environment

Besides human rights, environment is emerging as a contentious issue and in this context ASEAN responses reflect the opinion of the Third World. Western countries are also trying to subject Third World countries to observe certain standards for environmental protection. As there is a proposal to increase forest covers on at least 30 per cent of the global territory, and as the western countries have already denuded their forest covers and as they are running totally short of cultivable land, they want to supplement it by restructuring environment laws, which is detrimental to the interests of the Third World.⁷

The Western countries are striving to frame laws so that the Third World is compelled to increase its forest covers. Although the western countries have mostly contributed to environmental hazards through massive industrialisation and nuclear experimentation, they wish that the Third World should balance the situation through massive afforestation. But they do not intend to commit aid substantially. This issue was raised by Ma-

laysian Premier Mahathir Mohamad at the Earth Summit at Rio De Janeiro (1992), who demanded that the western countries should part with 0.7 per cent of their GDP (\$125 billion) as overseas development assistance to the south for increasing forest covers and environmental protection.⁸

Dr. Mahathir and some others believed that if the global environment in some areas of the globe is to be protected, the obligations should be shared by the north and south in cash and kind respectively. As this endeavour would benefit humanity without any discrimination, incentives should be given. Although the Malaysian proposal was constructive, it was rejected by the US on the ground that such an endeavour would overlap the functions of the Global Environment Facility (GEF).

Free Trade

India and ASEAN find convergence interests on issues of free trade and patent laws. They are edged in favour of the West and they pose certain threats to the interests of the Third World. The attempts of the developed countries to introduce labour standards with issues of global trade have serious implications for the Third World. The projection of the deprivation of developing vis-a-vis developed nations are drawn and is quite disturbing.⁹

⁸*Ibid.*

⁹For analysis of this aspect, see, Muchkund Dubey, *An Unequal Treaty: World Trading Order After GATT* (New Delhi: New Age International

⁷*Times of India* (New Delhi), 27 June 1992.

Mahathir has bluntly expressed his disappointment on several occasions. On the eve of the Singapore Summit of ASEAN in 1992, he stated, "When Cold War was on, we all yearned to be free from this oppressive conflict. We, the ASEAN member countries, who won the war, have a right to be more free now but it seems that we are less free. The evolving world order is full of restrictions".¹⁰

ASEAN decided to establish the ASEAN Free Trade Area (AFTA) with a time table of 15 years. Declaring AFTA, however, did not arrest the tendencies of protectionist drives. NICs are supporting free trade but it does not mean that they ignore indigenous industries. Again the countries with weaker economies cannot compete with NICs and they are less enthusiastic about free trade.¹¹

India, however, is a supporter of free trade and campaigning its relevance. The proposal for the preferential trade agreement (SAPTA) has been signed for South Asia, upon whose success the future of free trade depends.¹² The fact that India is advocating the utility of free trade in the region has endeared ASEAN, because

that would complement the endeavour of AFTA in due course. India's support for liberalisation and free trade is an elixir to promote ASEAN trade and investment in South Asia.

India has more than 950 million people, of whom one fourth belong to the middle class, numbering about 250 million. Similarly Bangladesh with 123 million, Nepal with 22 million, Pakistan with 133 million and Sri Lanka with 19 million, have a rising population of the middle class, who look for the latest gadgets and technologies. They want the latest cars and television sets which have attracted the attention of major entrepreneurs. They are willing to capitalise on this growing market and ASEAN as an important actor in the politics of Asia-Pacific, deserves better treatment than others because of their proximity to India.

ASEAN is striving for collaborative relations by greater trade and investment. Their networking is being offered to facilitate our trade with East Asia and European markets and their business overtures are conducive to our economic developments.

ASEAN extended "sectoral dialogue partnership" to India in January 1992 and to Pakistan in 1993. At that time, the ASEAN group accounted for six per cent of India's total exports but for ASEAN it was less than 1 per cent of their global trade.¹³ ASEAN was satisfied with India's responses and decided to embark upon various sectors for cooperation. They invited Prime Minister, P.V. Nara-

Limited, 1976) and V.R. Krishna Iyer and Others, ed., *Report of People's Commission on GATT* (New Delhi: Centre for Study of Global Trade System and Development, 1996) also see S.P. Gupta and Somsak Tambunlertchai, *The Asia-Pacific Economics: A Challenge to South Asia* (Delhi: Macmillan India Ltd., 1992).

¹⁰*Hindustan Times*, 28 January 1992.

¹¹"It AFTA Drops the Bill Now, Protectionists will Pick It Up", *Asiaweek* (3 November 1993): 21-22.

¹²A.S. Abraham, "SAARC Summit", *Times of India*, 29 April 1995.

¹³*Times of India*, 19 March 1993.

simha Rao to address the annual Singapore lecture (1994), which is otherwise reserved for world leaders. Mr Rao, who spoke on "India and the Asia Pacific -- Forging a New Relationship", tried to assure ASEAN partners that they would find in India a reliable partner, a vast market if it is given a larger role in the Asia Pacific. The process of this development will simultaneously involve the renaissance of a great and noble civilization, which we all share in some measure.¹⁴ The Prime Minister also answered many questions and spoke in depth on reforms in the Indian economy and said that it was irreversible. His visit proved good exercise in confidence building.

The sectoral dialogue between India and ASEAN was fruitful in many ways. Dato Ajit Singh, the Secretary General of the ASEAN, took the initiative to set up a centre for trade and investment information and promotion in 1993 and supported exchange of trade missions and trade fairs. He said that strides made by India in advanced technology, particularly in the processing of primary products, could be of great use in the ASEAN world.¹⁵ On the other hand, Mr. Dinesh Singh, the leader of Indian delegation, presented a six-point programme for cooperation including the setting up of a body of experts to identify project areas where Indian enterprise could be utilised.¹⁶ These included software developments and marketing small and medium enterprises, institutionalised link-

ages in major sectors such as petroleum and natural gas, joint ventures and development of infrastructure, particularly in the areas of power generation, transportation and construction.¹⁷

This meeting of the sectoral partners also decided to set up an India-ASEAN fund to develop cooperation in specific areas, i.e. tourism, trade, investment, computers and informatics, solar energy and environmental protection. It was decided that the fund would be placed at the disposal of ASEAN Secretariat and administered by a joint management committee. They agreed to set up an ASEAN-New Delhi Committee consisting of the heads of diplomatic missions of the ASEAN countries to facilitate sectoral dialogue relations with India. It was proposed by the Indian Foreign Secretary, J.N. Dixit that each side should offer six postdoctoral fellowships up to six months in the areas of science and technology.¹⁸

ASEAN certainly seems to be satisfied with the growing economic contacts and therefore they have decided to upgrade sectoral level relations to "dialogue partnership". As a result, the relations are not only confined to trade, investment, tourism, science or technologies but new agendas of cooperation are being mooted and confidence in each other are growing.

India has been included in the ASEAN Regional Forum (ARF), and it is trying to complement the process of regional confidence building measures, the development of Preventive Diplomacy and evolu-

¹⁴*Hindustan Times*, 9 September 1994.

¹⁵*Times of India*, 17 March 1993.

¹⁶*Ibid.*

¹⁷*Times of India*, 18 March 1993.

¹⁸*Ibid.*

tion of conflict Resolution Mechanisms. Its participation in ARF has certainly proved that it is with regional security consensus. India is also applying the wisdom learnt from ARF experiences to resolve its own disputes with Pakistan, which is the ultimate objective of the "Gujral doctrine".¹⁹ Such changes in Indian approach are different from that they pursued in the past 50 years.

It is quite interesting that some ASEAN countries have appreciated the Indian stand and they believe that India and Pakistan are capable of resolving all their disputes including Kashmir. But as they have more proximity with India, they are promoting better interaction with it, though both are associated with ASEAN as a dialogue partner and sectoral partner respectively. They do believe that economic prosperity and closer interactions in trade and commerce would break new grounds for friendship. Having geographic contiguity with India they are evincing interests in helping India find markets not only in Southeast Asia, but also in East Asia, particularly China. Thai Deputy Prime Minister, Supachai Panitchpakdi said on 5 January 1995 in Calcutta that "India could use Thailand as base for entry into the ASEAN and East Asian markets. India could enter into Chinese market in a big way through Thailand. The forthcoming century would be the Pasific Century with strong growth in East Asia and ASEAN.

India should do well to latch itself to this growth."²⁰

Growth Triangle

Some of the ASEAN states have proposed "growth triangle" relations to provide new dynamism and momentum to India-ASEAN relations. The experiment for establishing "growth triangle" has been tried amongst Singapore, Malaysia and Indonesia and have proved beneficial to the partners. It is a type of entrepreneurship in which the three provide different inputs, such as "A" may provide territory, "B" the capital, and "C" the expertise and management. The three partners try to supplement the efforts of one another to promote trade and business, Indonesia and Singapore have growth areas in Batam and Malaysia and Singapore have the growth triangle at Johore and all the partners have benefited from the business venture.

In October 1994, Mr Surin Pitsuwan, Thai Deputy Foreign Minister proposed "growth triangle" relations, involving India, Sri Lanka and Thailand in the Andamans.²¹ He believed that such an endeavour would augment supply of raw materials, financial goods and high technology. This proposal was once again reminded by Mr. Supachai Panitchpakdi in January 1995, who explained that "Thailand wished to build a four-lane highway between the Andaman Sea and the Gulf of Thailand and envisioned construction

¹⁹Inder Kumar Gujral, India's Minister for External Affairs, has expounded his *views* that in order to have confidence building with Pakistan, retort and retaliation are counterproductive. We should give a patient hearing to Pakistan and search out avenues of cooperation.

²⁰*Times of India*, 6 January 1995.

²¹*Times of India*, 1 July 1995.

of a deep-sea port, refineries and industrial ventures alongside the high way.”²²

It is interesting that business circles in Indonesia are interested in a “growth triangle” for the Andamans involving India, Indonesia and Thailand. New Delhi side of the India-Indonesia Friendship Association articulated this idea in 1993 but bureaucracy on both sides have not yet agreed to engage in this venture. India is yet to be conversant with the advantages of growth triangle. It was on this account that when India advocated a tri-lateral cooperation in the name of “troika”, involving one or two ASEAN countries in industrial joint ventures in third countries it had little response. It proposed “troika” to Singapore for joint ventures in Vietnam.²³ Through this venture, India proposed to produce goods urgently required in the Third World.

India and Indonesia have close geopolitical pragmatism demands opening new vistas of trade and cooperation. Indonesian Minister, Joop Ave in his 1997 visit to India explained this desire very clearly, but both sides are presently giving importance to improving infrastructural and communicational aspects, and growth triangle proposal is yet to be taken up for serious consideration.

Trade and Investment

The trade turn-over and growing investment between India and the ASEAN countries display confidence in each other

and increasing business vistas. For example, if we examine India's trade with Thailand, it has touched more than \$1 billion per year.²⁴ It was negligible in the past, but now it has picked up momentum. India's export zoomed ahead of target during 1990-1992, when it exported gems and precious stones, cotton and fabric, machinery and parts, urea and fertilizers, while importing pulses (urad and moong), rubber, machinery, synthetic fibres and inorganic chemicals. The trade volume rose further by 20 per cent in 1994 and there are optimistic projections. Again the two-way trade between India and Malaysia during 1994 amounted to \$772 million.²⁵ According to the latest report, the two-way trade between the two crossed \$1300 in 1995, an increase of 41 per cent over 1994.²⁶ India imports palm oil, petroleum, crude rubber and other non-ferrous base metals and exports engineering goods, building materials, textile, yarns, chemicals and pharmaceuticals, molasses, fruits and vegetables.

On the other hand, trade with Singapore which accounted for merely \$44 million in 1988, rose to \$1.5 billion in 1992 and it is increasing at the rate of 10 per cent per year.²⁷ Singapore provides the outlet not only for East Asian markets but also for

²⁴*Times of India*, 25 February 1992.

²⁵S. Rajagopalan, “Economic Ties High on PM Agenda” *Hindustan Times*, 1 August 1995 and also see, Sujatha Singh, “India's Economic Reforms and Opportunities for Malaysian Businessmen”, *Strategic Analysis* 17/1 (New Delhi, April 1994): 52.

²⁶Jaishree Balasubramanian, “Upstarting in Trade with Malaysia”, *Times of India*, 6 May 1996.

²⁷*Times of India*, 25 February 1992.

²²*Ibid.*

²³“India, Singapore Plan Troika to tap Developing Markets”, *Times of India*, 9 September 1994.

the US and European Union. India imports engineering goods, oil rigs, palm oil, organic chemicals, glass and telecom equipment etc. and exports textiles, spices, fodders, inorganic chemicals, jute, fruits and vegetables. Same trends are visible in relation to other Southeast partners.

According to the Federation of Indian Chamber of Commerce and Industry (FICCI) the annual average growth rate of India's export to ASEAN countries during 1991-1995 stood at 40 per cent. As compared to this, export to the US grew by 28 per cent, to Japan by 18 per cent and to EU by 24 per cent. Similarly annual average growth rate of imports from ASEAN was up by 23 per cent as compared to 15 per cent from the US, 17 per cent from Japan and a mere 13 per cent from the EU.²⁸ FICCI has also projected that it would be beneficial for India to concentrate on ASEAN as a major potential market and explore the possibilities of greater interaction with the ASEAN economies.²⁹

Investment ties are also giving encouraging signals. Indian entrepreneurs had been eagerly investing in the ASEAN economy, but it was never reciprocated before 1991. Now the scenario is changing and India is viewed as one of the biggest markets of the world. If we examine the investment figures of Thailand, Malaysia and Singapore in India, it may look meagre but it has potentials to attract prospective

investors. Thailand agreed to invest \$120 million in India in 1993 to collaborate in fishing, prawn farming, shrimp feed meal production and tourism.³⁰ Some Thai companies have also signed agreements with Indian companies in the telecommunications sector. Thai confidence in India has grown to the extent that they have agreed to invest in Bihar also. When Bihar Chief Minister Laloo Parsad Yadav visited Thailand in August 1995, Bangkok-based Shivnath Investment Company Pvt Ltd. as well as Usha Siam Company Ltd. signed Memorandum of Understanding (MOUs) to develop Buddhist sites in the state, including modernisation of the airport and construction of a meditation centre at Bodh Gaya.³¹ They strove to prepare a master plan in this regard and search out feasibilities of developing tourism.

On the other hand, Malaysia is enthusiastic to invest in India. Renong Overseas Corporation is engaged in a feasibility study for building 700 kilometer superfast express highway between Calcutta and Sili-guri, costing Rs. 3500 crores on a build-operate transfer (BOT) basis.³²

Further, Tenanga National has signed agreements to develop a \$800 million power plant in Bangalore and a \$705 million power project in Tamil Nadu.³³ The two countries signed an investment protection agreement on 3 August 1995 which

²⁸FICCI Symposium on "India: Full Dialogue Partner of ASEAN-New Business Opportunities", Background Paper, FICCI, New Delhi, 13 March 1996, 1-17.

²⁹*Ibid.*

³⁰Saroj Mohanty, "India, Thailand Plan Trade Triangle", *Times of India*, 1 July 1995.

³¹*Hindustan Times*, 3 August 1995.

³²*Hindustan Times*, 8 February 1995.

³³*Times of India*, 14 February 1995.

is first of its kind that Malaysia signed with any nation in South Asia. Malaysia has agreed to provide national treatment to companies from India. The agreement envisages construction of a 13,000 kilometer highway, at the cost of \$20 billion over the next 20 years on BOT basis.³⁴

Hyderabad's Kumar Group of Industries signed a joint venture agreement with MBF Holdings and Corporate Arrow for setting up a finance company in India.³⁵ Khemyan Corporation signed another agreement with Bangalore-based Khoday's group to develop township, hotels resorts, commercial and industrial complexes in India.

Singapore, however, is the biggest ASEAN investor so far. It invested \$30 million in 1992, \$33 million in 1993 and \$48 million 1994.³⁶ Both countries signed 12 co-operation agreements, worth several million dollars in September 1994 of which four were in the manufacturing sector and the remaining in service sector. The joint ventures to be established in India covered a wide range of areas from aquiculture, bakery, banking commercial office complexes, LPG terminal, mini-township, restaurant chain, ship building and telecommunication equipments.³⁷

Ganpatrai Jaigopal of Bombay signed joint venture agreements with two Singapore based companies -- Thakral Investment Holdings Pvt Ltd. to set up a state of the

art ship-breaking facility with a capacity of 100,000 tonnes per annum at Sosia, Gujarat. The project cost was estimated at \$5 million.³⁸

Western India group signed a joint venture agreement with M/s Sembawang Engineering to undertake designing, engineering, building, owning and operating of liquefied petroleum gas terminal facilities in India. The project was estimated to cost Singapore \$100.

TCFC of India joined hands with M/s Kephinance Investment Pvt Ltd. to set up a new Banking company in Goa. This envisages an investment of \$13.5 million. Yet another agreement for a joint venture was made between Growth Techno Projects Ltd. (India) with M/s CONTECH (Singapore) for a \$700 million township project in Ghaziabad.

Singapore-based SIA Engineering Company announced the project of \$390 million to set up an aircraft maintenance facility in India.³⁹

Reflective of the growing interest of Singapore in India, MOUs for projects worth \$130 million were signed between India and Singapore companies on 5 January 1995 on the eve of CII centenary function in Calcutta. This included a proposal to set up a 70 acre technology park in Gurgaon and an import terminal for petroleum products at Paradip.⁴⁰ MOUs includ-

³⁴G. Chandrasekhar, "India, Malaysia Sign Five MOUs", *Times of India*, 4 August 1995.

³⁵*Ibid.*

³⁶*Times of India*, 5 August 1995.

³⁷*Times of India*, 3 September 1994.

³⁸*Hindustan Times*, 10 September 1994.

³⁹Nitya Chakaraborty, "Rao: India Will Soon Have Dialogues with APEC", *Hindustan Times*, 10 September 1994.

⁴⁰*Times of India*, 19 February 1994.

⁴¹*Times of India*, 6 January 1995.

ed establishment of a project for manufacturing telecommunication equipment and one for a shrimp plant.⁴¹

Conclusion

We find that ASEAN states view India significant in economic terms ever since India chose the path of economic liberalisation and market economy. As the ASEAN countries are booming and expanding their business,⁴² and as it has already penetrated Chinese and other neighbouring markets, it looks towards India with sensuous eyes. On the other hand, India is favourably inclined and attaching prime importance to ASEAN for cultivating ties. This convergence along with changing external environment are certainly creating a conducive atmosphere to projecting India as a factor in the stability and development of Southeast Asia and vice versa.

Both India and Southeast Asia believe that they are essential to each other in neutralizing external threats, particularly to cope with the issues of democracy, human rights, environment and free trade. They have to evolve joint strategies to project their long-term interests.

Most of the states in this region have a plural society and there is a quest for "unity in diversity". India pursues this principle but politicisation throws its own challenges. There is a need to evolve regional response to attend them and promote integrationist trends.

India and the ASEAN member states have many experiences to share. The ASEAN member states attach prime importance to good governance, stability and efficiency in the polity of the nation. However, political developments of the past few years suggest that there is an increasing urge for more democratisation. On the other hand, India has a liberal democracy where reforms are advocated to accelerate developmental problems. Although political problems in India and the ASEAN member states differ, both have many experiences to share and policies to emulate. However, from the Indian viewpoints the most important is to learn business experiences from the ASEAN partners. ASEAN perceives India as a gateway of trade expansion in the South Asian region and India views ASEAN as a gateway of trade expansion in the South Asian region and India views ASEAN as a gateway of trade expansion in the Asia-Pacific. They have to strike a balance to accommodate each other's interests, and to prove useful and complementary to one another perpetually.

⁴²For this aspect see, M.C. Abad, J.R., "Re-engineering ASEAN", *Contemporary Southeast Asia* 18/3 (Singapore, December 1996): 237-253.

A Framework for Internal Regional Conflict Resolution in the Southeast Asia Context

Aderemi Isola Ajibewa*

Introduction

A sense of external security threats to the region from China and the Vietnam war combined to allow the creation of the Association of South-east Asian Nations (ASEAN) in August 1967 through the Bangkok Declaration. For the ASEAN countries, the end of the Cold War has meant the disappearance of just one dimension of its security problems. While conceding that no two countries' security threats can exactly be the same, a survey and study of most Southeast Asian nations security threats and problems shows somewhat consistent features since 1985.¹ In fact, within the region, the major

threats have come from internal (both domestic and regional) rather than external ones, characterised by religious challenges, insurgencies, drug-trafficking and illegal border crossings, subversion, secession by struggles, military coups and ethnic conflicts, which threatened the very foundations of civil and political life. The need to manage or moderate these conflicts and bring peace and harmony to our societies have necessitated the rethinking of many components of ASEAN security.

Given the complex relationship between democratisation and economic transformation, the continued repressive rule, political

*This author acknowledges the helpful editorial comments from Janice Kaur-Munster.

¹No ASEAN country expects to be invaded, and no country anticipates the arrival of an enemy fleet in its territorial waters. The greatest threat to national security are threats that begins as external, but work their destruction from within. ASEAN leaders are concerned about foreign economic penetrations, the unplanned importation of alien cul-

tural values and practices. For more details on ASEAN perceptions of internal and external threats, see Robert Tilman, *Southeast Asia and the Enemy Beyond: ASEAN Perception of External Threats* (London: Westview Press, 1987), 152-53 and Walker Connor, "Prospects for Stability in Southeast Asia: The Ethnic Barrier" in Kusuma Snitwongse et. al. (eds.), *Durable Stability in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1987), 32-59.

suppression and abuse of human rights² in some of the countries in the region, especially Cambodia and Myanmar, will result in a higher degree of violent changes unless there is regime and government reform. In 1988, a series of pro-democracy demonstrations rocked Burma. The movement was suppressed by the military who seized power on 18 September 1988, and established rule by the State Law and Order Restoration Council (SLORC). Although the multi -- party general elections were held on 27 May 1990 in which the opposition party, the National League for Democracy, won a landslide victory gaining 392 out of 485 contested seats, the SLORC has signally failed to transfer power to a duly elected civilian government. The leader of pro-democracy movement, Aung San Sun Kyi has been held under house arrest in Rangoon since July 1989. Many other countries, such as Philippines and Indonesia, today enjoy governments less oppressive than their predecessors, but are still far short of consistently protecting the full range of internationally recognised

²Human rights are ordinarily understood as the rights that one has simply because one is a human being. In contemporary international relations, human rights have a special reference to the ways in which states treat their own citizens in their own territory. It is therefore conventional to distinguish, for example, international terrorism, war crimes, muggings, gangland violence, and drought -- caused famine from "human rights" issues, even though they also lead to denials of life and security. I will therefore adopt this relatively narrow focus here, both because it corresponds to standard usage and because it focuses our attention on a central problem of national and international politics. For a clear survey of Burma under the rule of the SLORC junta, see James F. Guyot & John H. Badgley, "Myanmar in 1989", *Asia Survey* 30, no. 2 (February 1990): 187-95.

human rights. At present, there are no intergovernmental regional human rights organisations in Asia and the Middle East.

Faced with this situation, and coupled with the trend of events in the region,³ that is, as newly empowered democratic forces struggle for control with military junta/established government and elites, the potential for regional conflict could increase. Economic desperation will cause severe pressures within many societies. In a similar vein, the very existence of some Southeast Asian states could be threatened by divisive and violent ethnic conflicts and ultra radical religious fanaticism,⁴ all these will create conflictual relationships and complications which the regional organisation cannot and indeed

³Most notably increased ethnic violence and the South China Sea dispute. For more details on resolving the South China Sea dispute and checking narcotics, see Scott Synder "The South China Sea Dispute: Prospects for Preventive Diplomacy". A Special Report of the United States Institute for Peace, Washington D.C., August 1996. Mohamed Ismail Yaman "Supply and Trade in Narcotics: Checking Source and Distribution -- The Malaysian Experience", and William Simpson, Jr. "Heroin Supply: An International Threat" in Thangam Ramnath (ed.) *The Emerging Regional Architecture in the Asia Pacific Region* (Malaysia: ISIS, 1996), 391-401; on militarisation in Southeast Asia, see Yoshikazu Sakamoto, *Asia Militarisation & Regional Conflict* (London: Zed Press Ltd., 1988), 37-53.

⁴For a detailed report on the alleged abuse of human rights by Indonesian forces following the invasion in 1975 and the legal basis of Indonesian claims: economic viability, armed aggression, self defence, invitation by East Timor, long term regional security and humanitarian intervention, see *East Timor: Violation of Human Rights: Extra-judicial Executions, "Disappearances", Torture and Political Imprisonment, 1975-1984* (London: Amnesty International Publication, 1985).

must not ignore. Development is a long-term process that must be sustained over time and ASEAN cannot afford to ignore the need for support for democracy and the building of civil societies at the macro level. In this respect, an effective regional security structure may have to reject the "solution" built into the ASEAN, according to which Southeast Asia states had no right to concern themselves with the internal affairs of their neighbours, and replace it by an explicit linkage between domestic government and regional security.

The situation in the South China Sea continues to cause concern, and dire predictions as to the possible outcome are not lacking. Armed clashes there and in the Gulf of Thailand are not uncommon, and this is widely indicative of events, actual and potential in Southeast Asia that tend to compel a re-examination of the issues involved in conflict management and principles required for an effective regional security system. A key element in the United Nations Secretary General's *Agenda for Peace* is an emphasis on regional organisations and the contributions they can make to reinforce and complement the work of the UN in building global security. The trend toward a regionalist as opposed to a globalist perspective in conflict resolution and management in the Third World, offers tremendous opportunities for, as well as challenges to, regional and sub-regional organisations in the management of conflicts. The hypothesis underlying this paper is that a subregional approach is most realistic, feasible and therefore most appropriate to the question of regional cooperation in any field, particularly in that of security. These conflicts can

be resolved in one or two ways: by some forms of agreement to cooperate regardless of the presence or absence of a boundary, or by negotiating a boundary. For example, the disputed territorial claims in the Spratly Islands and the South China Sea, drug trafficking, illegal immigrants and the piracy issues rearing their ugly head in most of the Third World especially in Southeast Asia, can be resolved through close-cooperation among the regional and international community.

Within the Southeast Asia region, the institutional framework⁵ for promoting regional peace and security already exist but have not actually addressed some imbalance(s) within member states that have given cause for conflict. ASEAN is possibly best known globally for its leading role, both within and outside UN, in efforts to end the Vietnamese occupation of Cambodia, which lasted from 1979 until 1989. This article offers some modest suggestions within which regional actors in the Southeast Asia can address internal regional conflicts within the region. Particular attention would be drawn to the problems of regional domination which may cause interstate resentment and to the important factors which are likely to encourage or discourage regional solutions to regional conflicts.

This article will, of necessity, address the more theoretical problem of the rela-

⁵For more details on ZOPFAN as a comprehensive regional security idea, see B.A. Hamzah, *South-east Asia and Regional Peace* (Malaysia: ISIS, 1992), and for confidence building and conflict resolution in Asia Pacific, see Muthiah Alagappa, *Building Confidence, Resolving Conflicts* (Malaysia: ISIS, 1989).

tionship between internal action and the dynamics of civil society. In the context of ASEAN those dynamics are particularly acute with the transformation of ASEAN from a membership of seven to ten. It raises important questions with respect to the organisation's internal dynamics as well as its extra-ASEAN links. It remains to be seen whether ASEAN solidarity can be maintained, or perhaps other organisational modes will have to be found that can accommodate the command political system of two socialist states (Vietnam and Laos), a still disintegrated Cambodia, and a Myanmar junta. They all have little enough in common with one another, much less with the founding five members. Whether it succeeds or fails, the experience of a regional initiative with a similar set up elsewhere will have a major effect on ASEAN perceptions of regional initiatives in the settlement of civil disorders.

The direct application of the West African model to the Southeast Asian region is problematic. The only reason I referred to West African model is that so far the world community has had no other regional intervention experience of this kind. This does not mean, of course, that the West African experience can automatically be transplanted to Southeast Asia. It is self-evident that every international agreement is a product of its time and place and cannot be emulated exactly elsewhere. The ECOMOG process is largely attributable to unique historical circumstances, such as the humanitarian intervention in Iraq. It is also clear that the ECOMOG process is a problematic model, having been almost derailed by the schism among the Francophone leaders in the

region, most notably by the human rights/security nexus enshrined in the 1978 Protocol and the 1981 Agreement. The major problem in attempting to duplicate the West African model in the Southeast Asia lies, however, in the stark differences between the two regions.

Rationale

Given the crises that have accompanied the end of the Cold War, it is likely that external powers will be less interested in the intra-inter regional security threats in Southeast Asia.⁶ For this reason, Southeast Asia will have to address its own problems more independently than before. Most existing research focuses on the United Nations peacekeeping activities in the region aimed at resolving the Cambodia conflict, while resolution of internal conflicts mechanisms has received less attention. The more pressing theoretical need at present, however, is developing competence to mediate internal conflicts before they become violent. In addition, there is an urgent need to investigate how the concept of Asia-Pacific peace-

⁶The end of the cold war has removed the principal U.S. rationale for supporting repressive regimes, and the demise of the Soviet Union has eliminated the other major postwar pillar of support for such regimes. Here too, though, we should be wary of excessive optimism. The United States criticised violations of civil and political rights in China and Soviet bloc countries while condoning, or even encouraging, violations of the same rights in "friendly" countries like Indonesia over the Timor crisis. See *Newsweek*, 27 January, 1997 and Torben Retboll, "The East Timor Conflict and Western Response", *Bulletin of Concerned Asian Scholars* 19, no. 1 (January 1987): 24-49.

keeping strategies within the continent may be evolving in view of the fact that the Agenda For Peace (AFP) is not compatible with ASEAN's principle objectives. However, Chapter VIII, Article 52 of the United Nations stated that "nothing in the present charter precludes the existence of regional arrangements for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, ... the security council shall encourage the development of Pacific settlement of local disputes through such regional arrangement." The "ASEANisation" process on security matters operates under the purview of *musyawarah dan mufakat* (to engage in discussions or deliberations leading to consensus),⁷ which has engendered what can only be called the quiet diplomacy on issues of tension and rivalries. In order to keep security matters on the agenda, the ASEAN security forum was established during ASEAN ministers summit at Bangkok in July 1995. There are several advantages of setting such military cooperation:

- It ensures continuity of cooperation and working together at the staff level and the ability to defuse potential conflict that may arise in the field;
- It establishes a formal link with the government and policy-making establishment and also will make it possible to defend member countries against foreign inspired intervention, proper planning,

programming for a reasonably long period.⁸

Disagreement over the security issue arises for different political reasons. In Southeast Asia today, political problems in a country evoke contradictory responses from other countries. When a rebellion, or a struggle for state power erupts, moral and sometimes active regional support is often split between the government and its opponents. Illustrations can be found in the contemporary histories of Indonesia, Malaysia and elsewhere. What role would an ASEAN security force, if it exists, be called upon to play in such situation? How easy will it be to reach an agreement? Considering that very high emotions are usually generated in civil strifes, how binding will an agreement be when not arrived at by consensus?

Central to the process of ASEANisation is the overriding prerequisite that each and every action taken in the name of ASEAN must strive to be a neutral, and not detract from, the perceived national interests of the individual member states. The *push and pull* dynamic within ASEAN on economic cooperation thus raised certain questions in any discussion of the ASEAN *modus operandi*. The latter has, and continues to facilitate the reluctance of the ASEAN states

⁷For more detail, see Michael Antolik, *ASEAN and the Diplomacy of Accommodation* (New York: M.E. Sharpe Inc., 1990).

⁸For more details on the broad objective of a rapid development regional force, see Remi Ajobewa, "The Organisation of African Unity and the Quest for an African High Command" *Nigerian Forum* (July/August 1988): 177, and Moehtar Kumsaatmadja "Prospects of Trilateral Security Cooperation in ASEAN" in K.S. Sandhu, Joseph L. Tan (eds.), *The ASEAN Reader* (Singapore: Institute of Southeast Asian Studies, 1991), 416.

to forgo national interest considerations in favour of broader regional intent. The question thus arises will these two factors influence the future dimension of intra-ASEAN economic cooperation, and if so, how? The issue of intra-ASEAN economic cooperation cannot be considered in isolation from the contending interests and motivations of the ASEAN states, which must in turn be viewed in the context of consensus decision-making. The degree of optimism for the successful implementation of AFTA in particular, and the future of intra-ASEAN economic cooperation more generally, is provided by the emergence of growth triangles in the region, such as the Singapore, Johor and Riau Island (SIJORI), the East ASEAN Growth Area (EAGA) comprising the Brunei, Eastern Indonesia, East Malaysia and Southern Philippines. Therefore there is an urgent need for confidence building measures (CBM) and a strong security network and framework for dealing with regional conflicts in these growth areas.

Developing a Set of Principles

The word "principle" connotes the establishment of a concept to the point where it becomes the part of subsidiary rule of law or an idea, which is/might be still in process of development and acceptance. In essence, a regional code of conduct or existing regional instruments such as the Treaty of Amity and Cooperation in Southeast Asia (TAC)⁹ and the Declaration of ASEAN Concord,⁹ both signed in 1976, coupled with

the Southeast Nuclear Weapon -- Free Zone (SEANWFZ) treaty establish peaceful relations among the members. While there are a number of variables which call for analysis, emphasis will be on the more critical ones:

- What is regional security and order?
- What are the internal/regional security threats in Southeast Asia?
- What are the principles governing security?
- What are the requirements for internal political structure?
- What is the "diplomatic basis" of regional security?
- What are the diplomatic measures to prevent the conflict from escalating?
- What are the conditions required for consensus to be reached on regional security?
- What mechanism are in place, have been attempted, or should be contemplated?
- How can their effects be evaluated?
- What are the advantages and disadvantages to regional approaches to managing these conflicts?

The major finding is that a viable regional security system must rest on the acceptance by Southeast Asian states of "rules" which relate their domestic political structures to their relations with one another. Closely related to the above, is the assumption that sub-regional organisations are more competent than continental organisations to handle field security related operations because of their narrow agenda, smaller size and geographical proximity or coherence which lend them a sharp operational focus.¹⁰

⁹The Declaration of ASEAN Concord contains the principles and framework for ASEAN cooperation in the political and economic functions.

¹⁰See "An Agenda for Peace, Preventive Diplomacy, Peacemaking and Peacekeeping", <http://www.>

Regional security requires Southeast Asian nations, from Vietnam to Myanmar and Indonesia to emphasise and strengthen, wherever possible, those interests that they have in common, while seeking to overcome those that divide them. One important aspect of this is that they need to reduce, so far as possible, their security dependence on external powers, whether these be superpowers, former colonial powers, or other states. Regional security likewise requires states to develop workable conventions on the conduct of their domestic governments, including implementation of democratic political systems.

The convention of non-interference in the internal affairs of other states needs to be replaced by a recognition that all states have a legitimate concern for the means by which their neighbours are governed. Any meaningful security arrangement cannot proceed without an agreed set of norms/values and principles which govern behaviour and interaction among its constituent units. This paper identifies a set of explicitly enunciated basic norms and principles which might be relevant and applicable for region-wide political and security cooperation in Southeast Asia.

The Concept of Security

Security is ambiguous and elastic in its meaning. In its most fundamental sense, to be secure is to feel free from threats, anxiety, or danger. In fact, the picture that is

now evolving is that the conceptualisation process of security issues in the post-Cold War period is still in the formative stage. While efforts of comprehensive conceptualisation of security issues will be important, clearer understanding of major factors involved is a pre-requisite for these attempts. In this sense, "Security" is here understood to mean a political order, both domestic and international, which protects both individuals and states against the immediate threat of physical violence. Viewed from this perspective, security can be seen in two main aspects, namely internal and external. The internal aspect of security has two dimensions: (1) the security of the people; and (2) the security of the state or the government.

The security of the people is seen in terms of the satisfaction of the social, cultural, economic, political and human rights which are basic needs. Undoubtedly, the security of the people becomes the only, and the best guarantee for the security of the government. The external security is seen in terms of the protection of territory from external aggression, or as protection of national interest, or as global security from the threat of a nuclear holocaust. It has been more related to a nation-state than to people.

Threats to Security

Major threats to Third World security in the post-independence era have been manifested in three different but mutually reinforcing ways: (a) insecurity arising from extra-regional intervention or invasion, notably by United States, Soviet Union,

un.org/Docs/SG/agpeace.html., 1992. Report of the Secretary-General Pursuant to the Statement Adopted by the Summit Meeting of the Security Council, 31 January 1992.

France, China, Belgium and Portugal under various pretexts; (b) insecurity arising from conflicts among states within the region, normally classified as overt conflicts between national governments and military forces and covert conflicts involving support from one state for opposition movements within another state; and (c) insecurity arising within states, from opposition to the existing regime, or from a general breakdown of political order generated from ethnic, religious and cultural challenges.

As a result of newly empowered democratic forces struggle for control with established government and elites, the potential for regional conflict could increase. Such conflict and the ensuing humanitarian disasters are costly in human and financial terms and, at times, offer compelling cause for outside intervention. There has been a strong tendency in the Asia Pacific, not least in Southeast Asia, to view security threats as a result of becoming "a battleground for competing foreign ideologies." This is very understandable rhetorical device to help persuade Southeast Asian nations to accept a common security structure, but in fact the major dangers have come from internal (both domestic and regional) conflicts rather than external ones.

In an increasingly interdependent world where the concept of absolute sovereignty is largely meaningless, inter-state cooperation, whether at the sub-regional, regional, or international level, is essential, possible and desirable. This is necessary in Southeast Asian where the small and weak states will not only use these principles to strengthen security cooperation but also as a more realistic and appropriate approach

to dealing effectively with their common problems.

The already existing ASEAN mechanisms will be revisited and an attempt made to define workable and acceptable alternatives. It may be desirable for the role of policing the security of the region (an interventionist role, either in the observance of cease-fire or related peace accords or interpositionary capacity) to be undertaken by the regional organisation, albeit with the assistance of either the United Nations or international actors. The need to intervene early in a conflict, raises some difficult problems. It is generally only when the crisis becomes acute that the parties (and especially the incumbent government) are willing to allow intervention. At the early stage, diplomatic measures to prevent the conflict from escalating should be sought. These measures would in turn have to be closely related to the "rules" for regional security and especially those which relate to democracy and human rights. This in turn involves pressure on political leaders which they are likely to find unacceptable. To prevent conflict from reaching the point of demanding outside intervention, the regional organisation is required to explore concepts of preventive diplomacy as a conflict management and resolution mechanism. To do this may necessitate an expansion of the ASEAN Declaration of 8 August 1967 and Zone of Peace, Freedom and Neutrality Declaration of 27 November 1971 to remove contradictions that may exist, and also to possibly expand their mandate(s) into regular peacekeeping operations and conflict mediation services. Be that as it may, such new concepts may necessarily challenge universal norms which up till

1991 had formed the basis of international relations on the continent, notably the provisions of inviolability of national sovereignty and principle of non-interference in the internal affairs of states.

Generally, the undemocratic and repressive nature of the military junta in Myanmar and the failure of the government to satisfy the basic security requirements of the people have facilitated the pro-democracy movement and a series of demonstration. Thus, the state itself may represent a threat to the security of its people. The inference from all of the above, is that stable democracy with respect for basic rights is essential to peaceful change, and responsible and responsive government is the basis of sustainable economic growth. This policy responds to the near-universal recognition in Africa that the authoritarian model has brought political failure and economic ruin. The institutional mechanism of the ASEAN will be the subject of our next section.

ASEAN's Institutional Mechanism for Conflict Management

Conflict, disputes and other threats to security are of serious concern to ASEAN. Although ASEAN formally avoids the image of a security alliance, bilateral military exercise and exchanges of intelligence are predominant among the members. To manage conflict and regional security, ASEAN has three main resolutions: normative, institutional and legislative. The first mechanism is the establishment of a framework for discussion, consultation and deliberation of matters of mutual interest as a means of fostering better understand-

ing, good neighbourliness, and a high level of economic cooperation, on the one hand, and constraining the emergence of exacerbation of bilateral misunderstanding and disputes, on the other. The abovementioned framework in practice was the Summit Meeting between ASEAN ministers and the establishment of numerous ad-hoc and permanent committees.¹¹

Implicitly, Part 3, sub-sections i, ii and iii of the ASEAN Declaration implicitly on the Committee of Mediation, Conciliation and Arbitration was not seriously implemented, and actual mediation depended on ad hoc missions by Heads of States and Foreign Ministers. The trend of ad hoc approach to conflict resolution served ASEAN fairly well because it emphasised "Try ASEAN first"¹² in conflicts both within and between ASEAN; but it is far from being ideal. Another framework to ensure regional stability which emanated from a general concern by its members to protect shared interests-cooperation, development and stability. The Amity Treaty and Agreement stresses mutual respect for independence, sovereignty, equality, territorial integrity and national identity of member states; subversion or coercion; non-interference in the internal affairs of one another; settlement of differences by peaceful means; renunciation of the threat or use of force.

¹¹For full text of ASEAN Declaration, see K.S. Sandhu et. al. (eds.), *The ASEAN Reader*, 535-536.

¹²It was put succinctly in Kuala Lumpur "Our Biggest Problems Are Internal To Us and Must Be Solved Internally By Us", a view that was repeated in different words with different emphases in every ASEAN capital.

A more extensive treaty, the Zone of Peace, Freedom and Neutrality (ZOPFAN) which was signed in November 1971, at Kuala Lumpur, Malaysia by the Foreign Ministers of the then five ASEAN members was to prevent any big power involvement indirectly or directly with any conflict in the region. It also underlines one essential point, that is, none of the South-east Asia nation will develop nuclear weapon that can bring tension and threat to the area.

Regional solidarity and commitment to integration will be considerably enhanced where political stability becomes a common identity and also is perceived as a shared responsibility. The ASEAN Declaration does not, however, provide for an enforcement power, a judiciary body or other means of settling questions of law, except by the spirit of equality. In addition, violation of agreements, decisions, or resolutions adopted by consensus at ASEAN meeting tends to undermine the credibility and effectiveness of the organisation in security matters.

The key point is that, even though many of the sub-regional organisations are ostensibly concerned with economic cooperation, in practice security concerns almost invariably underlie them, and determine their degree of effectiveness, and indeed, whether they can operate at all. This is most obvious with Southern Africa Development Cooperation (SADC) in Southern Africa. On the other hand, since issues of security very easily raise potential problems of domination, they depend strongly on the relationship between individual heads of state. A plethora of military and

political crises have pushed ECOMOG's role as a model for future peacekeeping formulate in Africa and elsewhere to the forefront.¹³

The often fragile nature of state systems in Southeast Asia and their various institutions, colonial hangovers, the absence of democratic ethics, prospects of political instability, intra-regional tensions, differences in political perception and personal preferences of leaders hampered the possibility of focusing on common security objectives and harnessing resources to facilitate them.¹⁴ Throughout Southeast Asia each country seems to have its own fatal flaw, which, if allowed to develop to its logical conclusion without intervention, might ultimately bring about its destruction.

Regional Security and the Prevention of Conflict

An effective regional security system is one in which major breakdown of order does not occur, because it has been possible to identify and resolve conflicts before they deteriorate to that level. The fact of the matter is that the UN, OAU, and ASEAN methodology of intervention or conflict prevention is always wrong. In all the conflicts in which these organisa-

¹³Jinmi Adisa, "The Politics of Regional Military Cooperation: The Case of ECOMOG" in M.A. Vogt. (ed.), *The Liberian Crisis and ECOMOG: A Bold Attempt at Regional Peacekeeping* (Lagos: Gabumo Publ. Co. Ltd., 1992), 231.

¹⁴*Ibid.*, also Jack Donnelly, "Human Rights in the New World Order" in Charles W. Kegley, Jr. et. al., *The Global Agenda: Issues and Perspectives* (N.Y.: McGraw-Hill, Inc., 1995), 199.

tion's peace plans have been enthusiastically accepted, the critical point on the road to peace, namely, diplomatic measures, has in all cases been allowed to pass before intervention is taken. Although it is generally only when the crisis becomes acute that the parties (and especially the incumbent government) are willing to allow intervention -- and equally, there are so many potential conflicts that if intervention was mooted for all of them, the situation would rapidly get out of control. No matter the origin of these conflicts, peace can easily be achieved when diplomatic measures are taken early to prevent the conflict from escalating. In this phase of conflict when goodwill has not yet deteriorated to the point of bloodshed, timely diplomatic measures would be respected with issues under contest sorted out on a more easier platform. It is therefore clear that when the diplomatic threshold of a conflict has passed, peace becomes more difficult to achieve.

Early Warning System

Effective pre-emptive action requires a well calculated strategy and commitment by both national and regional actors. It must emphatically be stressed here that until the root causes of conflicts are addressed, the regional organisations will continue to prescribe wrong solutions. Nations should have an early warning system (EWS). The whole value of history is to enable present and future generations to avoid and learn from the mistakes of the past. Nations should try to stop crisis generating issues escalating to the point of war.

Promotion of Peace

As most of the conflicts stem from violent protests against the way power is exercised, it is little wonder then that human rights are trampled with reckless abandon. When regardless of the heterogenous nature of our societies, ethnic, and religious rights and meaningful participation in the governance of their countries are denied the people to the point where they really belong, the result is instability with its attendant violence. In essence, democracy, is based on five fundamental political pillars,¹⁵ -- popular consultation, popular sovereignty, political equality, majority verdict and rule of law -- each of which cannot be pulled down without generating political and social upheavals. In short, good government and justice for all are therefore the preventive measures that can assuage conflicts in Southeast Asia and elsewhere.

One can indeed argue that the key problem that has emerged during the 1980s and 1990s concerns the relationship between internal security and the nature of domestic government. The most blatant crises -- as in Cambodia, Liberia, Chad, Somalia, Ethiopia, Uganda, and to some

¹⁵These "Five Fundamental Political Pillars" of democracy are popular consultation, sovereignty, political equality, majority verdict, and rule of law; for more on this see Osisioma, B. Nwolise, "Delayed Democracy: Lesson from Sierra-Leone". Paper submitted to the Nigerian media Houses for publication after the cancellation of June 12, 1993 Nigerian Presidential election, 1 and "A Time To Be Calm", *Daily Sketch* 21 June 1993): 14; and also J. Ihonvbere, "Is Democracy Possible in Africa? The Elites, the People and Civil Society" in *Quest* (Lusaka) 6/2 (December 1992): 84-109.

extent other states such as Zaire and Sudan have arisen from resistance to appallingly bad government, rather than from external intervention. These cases nullify any idea of trying to maintain security by simply supporting existing states and government, in the way many of the regional organisations have tended to do. The importance of ASEAN/OAU/UN and other regional organisation' programmes in encouraging democratic values and practices cannot be over-emphasised.

Dealing with Conflicts

Of course, an effective regional system may have to reject the solution built into the Kuala Lumpur Declaration, according to which Southeast Asian Nations had no right to concern themselves with the internal affairs of their neighbours, and replace it by an explicit linkage between domestic government and regional security.

Next, any initial analysis of the conflict in question will have to involve two basic steps: investigation and the attempt to find ways to resolve the initial confrontation. In this context, a new security system needs to be directed toward formation of a new regional order, aimed at establishing a pluralistic cooperation body among nations in the region under the principle of reciprocity and seeking common prosperity and development for all states concerned.

It appears, therefore, that the necessary features of mechanisms for resolving conflicts to achieve regional security should include a sense of shared identity among the people in the region; agreement over basic features of government, and respect

for the identity and integrity of other states in the region; the existence of effective regional organisation, and a framework for regional leadership. These features help to account for the difference between regions which are highly conflictual and ones which are fairly peaceful. Regions which have potential regional leaders, for example, seem to be most effective in making collective decisions, monitoring field operation, exercising leadership, and building a consensus that is adequate to resolve and manage the dispute.

What are the Principles Governing Security?

Within this strategic context, any viable basis for regional security will need to rest on norms', whether tacit or explicit, on which regional actors broadly agree. They should relate their domestic political structures to their relations with one another. These are essential in order to provide a generally acceptable solution.

For the internal political structure of each state, viable internal government should rest on principles such as democratic elections, human rights, good governance, respect for different groups within each territory, and their incorporation into the government. Based on these requirements, when we turn to the dimensions of possible success, however, we see that failure on one of the dimensions does not necessarily imply failures on all. It is interesting that dispute resolution is seen to be integral to the democratic process. One fundamental democratic norm is the willingness to accept compromise

solutions to contentious public issues. If we extend this norm to the regional level, then it becomes reasonable to expect democratic states to adopt compromise solutions to regional problems as well. One implication of this logic is that democracies are likely to be more amenable than others to efforts to third parties to resolve or ameliorate inter-state disputes.¹⁶

Furthermore, modern democratic pluralists¹⁷ argue that if political leaders are accustomed to nonviolent procedures of conflict resolution in domestic affairs, then it is likely that such methods will also prove useful in settling regional disputes. This position is further reinforced if there is a sense of shared identity among peoples in the region thus producing cross-cutting ties and multiple loyalties that could re-

straint decisions for war. A closely related argument¹⁸ suggested that democratic institutions serve as a kind of filtering mechanism on the type of individuals ultimately designated for leadership positions by promoting those of a more conciliatory nature and discouraging selection of more autocratic or belligerent individuals.

Studies supporting policy conformity have shown that pairs of democratic states do seem to engage in fewer militarised disputes, and sign more mutual defence pacts. In that context, it seems to me, in their relations with one another, the agreement over basic features of government, and respect by other states in the region for the rules governing non-intervention in the internal affairs of a state and acceptance of its frontiers must be conditional on that state's respect for the rules governing internal political structure. Where these conditions have not been met, an effective regional security structure must require that the regional organisation should treat parties to the conflict equally in order to pursue a possible solution. Once a good number of important members of the Organisation are interested and committed to providing the necessary support, enough consensus of opinion can possibly be gathered through progressive confidence-building measures¹⁹ to elicit the acceptance of the other smaller parties.

¹⁶For example, see the following: William Dixon, "Democracy and the Management of International Conflicts," *Journal of Conflict Resolution*, 37/1 (March 1993): 42-68; Michael Doyle, "Liberalism and World Politics", *American Political Science Review*, 80 (1986): 1151-69, Levy Jack, "Domestic Politics and War", *Journal of Interdisciplinary History* 18: 653-73; Richard Merritt and Dina Zinnes, "Democracies and War" in Alex Inkeles (ed.) *On Measuring Democracy* (New Jersey: New Brunswick Transaction, 1991), Carol Ember, Melvin Ember and Bruce Russett, "Peace Between Participatory Politics: A Cross-National Test of the 'Democracies Rarely Fight Each Others' Hypothesis," *World Politics* 44: 573-99.

¹⁷Quoted from William Dixon, *op. cit.* p. 45, see also Richard Merritt and Dina Zinnes "Democracies and War" in Alex Inkeles (ed.), *On Measuring Democracy* (New Jersey: New Brunswick Transaction, 1991). See Zeev Maoz and Abdolali, "Regime Types and International Conflict: 1816-1976", *Journal of Conflict Resolution* 33 (1989): 3-35, and Zeev Maoz and Russett Bruce, "Alliance, Contiguity, Wealth, and Political Stability: Is the Lack of Conflict Between Democracies a Statistical Artefact?", *International Interactions* 17 (1991): 245-67.

¹⁸For more detail on political will, see Aderemi Ajibewa, "Regional Security Problems and Needs", *Quarterly Journal of Administration* XXIV/1 & 2 (October 1989/January 1990): 82-92.

¹⁹For more details on confidence building measures in Africa and Asia-Pacific, see A. Ajibewa, "The Third World Security Threats: Problems and

It may also be useful to note that the regional leader may not be able to rely on consensual mechanisms, but may also have to impose some pressure or inducement on recalcitrant regional states which are not prepared to accept the verdict of the majority. One case in point was the Commonwealth pressure on Nigeria. Other mechanisms such as a steady flow of accurate information from those smaller groups should be encouraged; in meetings, participants should be encouraged to share leadership and make consensus decisions; criticism from non-supportive group should be seen by the leader as an effort to correct performance and to increase effectiveness; management style should be made open and participative; solving problems should be seen to be characterised by searching for a desirable alternative and when rules and policies inhibit effective performance, they should be altered or scrapped.

The principles which might be mobilised to deal with the threat to security are:

(a) *No Extra-regional intervention*: the principle of regional integrity, and rejection of intervention by outside states -- "ASEAN solutions to ASEAN problems." In fact, the reduction in tension and rivalries between superpowers and their military blocs has had a direct impact on resolving some of the intense regional conflicts in Third World, as in the Horn

of Africa, and Cambodia. There is the contention by some analysts²⁰ that the superpowers may exert their influence on many of the traditional Third World rivals to moderate their conflicts and seek avenues and areas of mutual understanding, adjustment and cooperation.

However, since external financial and logistical help might very well be needed, while in exceptional circumstances there might be a need for external military intervention (upgrading the operation from the sub-regional level, to the regional level, and ultimately the UN level). The obvious principle in this case would seem to be that any external intervention should only take place in collaboration with the regional organisation.

(b) *Inter-state conflicts*: the principles of respect for existing frontiers. The founding fathers of most of the Third World sub-regional organisations, mindful of the existence of mutual interest and common problems among countries within the same region and conscious of the need to foster good understanding and good neighbourliness decided to respect the existing borders. The logic of placing emphasis on the ASEAN Declaration on mediation, arbitration and reconciliation is understandable enough (owing to mutual distrust).

It is here that the regional organisations have their greatest role to play especially as regards insecurity arising from conflicts between states in the region. It re-

Prospects with Special Reference to Southeast Asia and Africa". Paper presented at the Fourteenth Annual Conference of Association of Third World Studies, Troy State University, Montgomery, Alabama, October 3-5, 1996, and Muthiah Alagappa (ed.), *Building Confidence, Resolving Conflicts* (Kuala Lumpur: Institute of Strategic and International Studies, 1989).

²⁰Interview with Thomas Weiss, 28 March 1994, Brown University, Providence Island and Telephonic Interview with Richard Joseph-Carter Institute, Atlanta, Georgia on 28 May 1993.

mains an external truth that the best way to combat foreign intervention in the Southeast Asian nations is to evolve an internal mechanism for resolving the conflicts that lead to such intervention.

One of the key principles of ASEAN has been that the member countries do not confront each other, and solve any dispute among them by quiet diplomacy or by putting the matter on the shelf. The sacrosanct principle of the immutability of frontiers was agreed as being a wise idea by the founding fathers of most of the Third World organisations; it has, however, been challenged for avoiding the fundamental question of human groupings separated by colonial treaties and in the contemporary period "does not stand up to an objective historical analysis."²¹ This principle therefore also needs to be modified.

In extreme cases, of which Eritrea provided the most obvious recent African example, a secession state may be granted its full autonomy. Principles which would need to be met include:

- provisions for democratic consultation of the population involved;
- measures to ensure an equitable distribution of resources (to prevent a region

from seceding in order to grab the wealth), and to prevent territorial aggrandisement by other states in the region. Likewise, the complexity and ambiguity of the conflicting claims on the Spratly Island can be resolved along the principles earlier given.

Diplomatic Basis of Regional Security

Any mobilisation of a multinational coalition to deal with a regional security issue will have to operate within a diplomatic structure which enables it to carry out its task effectively. A group is synergistic, providing a whole that is greater than the sum of its parts. A decision or a solution generated by consensus is usually of a higher quality than what the brightest and most talented members of the group could produce individually. Groups come together, coalesce, and make decisions on ways of solving problems.

Diplomacy of coalition building is always delicate, but such coalition building may well operate most effectively when there is a coalition leader who defines the task, and seeks to gain support of other coalition members. It is especially important for the regional leader to observe the "norms" on domestic political structure—democracy and respect for human rights: one case in point is Nigeria. In addition, the coalition leader acts as both the facilitator and the coordinator when rivalry, conflict, and misunderstandings arise and threaten to disrupt the effectiveness of their mission.

²¹ See John B. Allock, *Border and Territorial Disputes* (London: Longman Current Affairs, 1992), 54 and for more details on the underlying causes of the conflicts in Third World can be traced to the existing differences between the peoples being reinforced by artificial colonial partition, see Ademir Ajibewa "The Civil War in Chad", London; Centre for Defence Studies, *International Security Digest* 2/6 (March 1995).

Diplomatic Forum

There is the need to have an existing regional organisation to provide a forum, through which the regional role can be exercised of unified response to the crisis can be devised, and which will then provide legitimation for the action of the coalition. This forum needs to include all the states in the region, including any state where intervention may take place, and to agree to the general principles governing regional security in that region, including those on domestic government. In fact, it will obviously be helpful if the members of the forum share a common sense of identity, and if they regularly collaborate with one another on issues beyond the security sphere; it is therefore helpful as well as normal for the responsibilities of the organisation to extend to economic cooperation as well as security issues.

The Rules of Engagement

The forum needs to define what the task of the intervening coalition is, and what means are to be used to achieve it. The principle needs to be established that regional forces should withdraw as soon as a viable internal government has been established.

The Implementation of Security

The effective implementation of the security system depends on two criteria: (1) Whether the immediate military objectives facing a peacekeeping force can be attained; and (2) Whether the necessary political objectives can be attained. Ques-

tions that always come across into the international community arc: How much of a factor has the ASEAN variable been in enhancing Southeast Asia peace, security and solidarity? Many opinions have been put forward regarding ASEAN achievements, its ability to promote harmony between member-states, diffusing suspicion and tension and discouraging violent methods in seeking solutions to bilateral issues.²²

The year 1991 marked a turning point for Southeast Asia because revolutionary changes in Soviet Union allowed for regional actors to cooperate to settle the Cambodian conflict (Paris Peace Agreement). Even though the peace agreement did not bring comprehensive peace to Cambodia but it meant a lot to ASEAN because it fulfilled ASEAN's almost three-decade-old dream of a region-wide order.

Presently, ASEAN consists of seven members with three countries as observer status: Laos, Myanmar and Cambodia. Therefore in future ASEAN will have to address several of issues with various challenges with reference to regional peace and security. Secondly, ASEAN will have to work out options for a new or modified regional order which need not necessarily involve the dissolution of ASEAN.²³ In this case, ASEAN will have to guard against

²² Muthiah Alagappa, "Regionalism and the Quest for Security: ASEAN and the Cambodia Conflict" *Journal of International Affairs* (...): 452.

²³ Jawhar Hassan, "ASEAN as A Factor for Peace, Security, Stability and Cooperation in the Sea". Rohana Mahmood and Hans-Joachim Esderts (eds.). *Myanmar and The Wider Southeast Asia* (Malaysia: ISIS, 1991).

loss of cohesion and vitality as the unifying influence.

One major source of regional insecurity has been the conduct of governments within states. By far the greatest number of conflicts arise from the non-existence of good government, democracy, and respect for human rights. The achievement of good government within ASEAN states is therefore a further essential condition for regional security.

Conclusion

There have been many kinds of dispute among the Southeast Asian nations either territorial, diplomatic, sea, and regional conflicts. Nevertheless, the success of ASEAN conflict resolution could be ascribed to the ground rules enshrined in ASEAN's diverse declarations, -- emphasis on self-restraint; acceptance of the practices of *musyawarah* and *mufakat* (consultation and consensus); third party mediation and agreeing to disagree for later settlement.²⁴

The analysis reveals a very marked discrepancy between the actual nature of regional security and insecurity, and the established conventions of unfettered state sovereignty and non-intervention in internal affairs of other states. Regional security is most effectively monitored and assured at the sub-regional level. Within sub-regions, an effective structure of leadership is needed for regional security. A lead-

ing actor is almost always needed to initiate and coordinate action; the role of Indonesia is in this respect closely analogous to that of the United States in the Gulf conflict of 1990/91. Leadership cannot however be entirely divorced from issue of domestic political structure. South Africa would have played a similar role in Southern Africa in the 1980s and early 1990s but for its domestic structure. It is therefore essential that the leading state should abide by the agreed principles of domestic government outlined above, that its leadership role should be accepted and respected by other states in the region, and that it should accordingly seek to maintain consensus among these states through appropriate consultation.

Both continental organisations (Asia Pacific) and global ones (UN) may provide legitimation for the role of sub-regional leaders, but may also provide a forum where discontented states may appeal against the authority of these leaders. A fully effective regional security system would ensure that potential conflicts were resolved before they had reached the stage at which intervention was needed. Where intervention does take place, very careful political judgement is needed. Intervention forces almost inevitably become a factor in the domestic politics of the state concerned, and require clear and achievable political goals. This requirement becomes all the more essential when intervention forces move from straightforward peacekeeping to peace enforcement.

²⁴Hong Ann Tuan, "ASEAN Dispute Management: Implication for Vietnam and An Expanded ASEAN", *Contemporary Southeast Asia* 18/1 (June 1996).

Regional security requires Southeast Asian nations to emphasize and strengthen, wherever possible, those interests that they

have in common, while seeking to overcome those that divide them. The convention of non-interference in internal affairs of other states needs to be replaced by a recognition that all states have a legitimate concern for the means by which their neighbours are governed. The criteria for intervention and mobilisation of a multinational coalition to deal with conflict might include: (a) The breakdown of centralised authority: A security situation within the state concerned that threaten the security of other neighbouring states; (b) A consensus among regional states on the need for intervention and rules which should govern it; and (c) Either a request for intervention from a democratic government or a commitment to establish a democratic system after intervention. However, one might want to know whether democracy in itself will be enough to establish the set principles. Presumably, if a non-democratic state is peacefully governed, and is not affecting the security of its neighbours, there is no need to intervene.

Where a peaceful solution to the problem has failed, the regional organisation

might have to recognise the legitimacy of military actions undertaken by opposition groups against the coup regime, and it is possible to permit its members to aid such action. In extreme cases, ASEAN would have to support the principle of self-determination rather than face the implication of Southeast Asian instability. There is of course, the fundamental issue of acceptable level of interference in the domestic politics by a regional organisation or force. Thus it would require a joint effort to stabilise the political affairs of some countries.

In sum, it should be noted that the nature of this paper has necessitated the adoption of a somewhat judgemental approach as regards some contemporary issues. Some of the submissions may be confirmed by future developments, while some could be proved wrong. However, the timing of this paper is significant in view of the lessons it may offer. With the spread of demands for democratic reforms, and human right abuse, there is no doubt that more crises are to be expected especially in Myanmar and over the East Timor issue, and elsewhere.

Old and New Strategic Developments in the Asia Pacific*

Jusuf Wanandi

THE year 1996 started off in East Asia with tensions across the Taiwan Straits in March when the Chinese military conducted exercises during the presidential elections in Taiwan that has brought US-China relations to its lowest point since 1989. This occurred on top of the tensions on the issue of non-proliferation in the Korean Peninsula, and the possibility of implosion of North Korea. In addition, the tensions in the South China Sea had not been credibly stabilised.

As a result, a number of analysts especially from outside the region began to warn about the region's security vulnerabilities. These were thought to be due to the region's limited sense of regionalism and sense of community as well as the lack of democratic systems of governments in most of the countries in the Asia Pacific.

In the second half of the year further challenges emerge as a result of a slow-down of economic and export growth in

a number of the Asian NIEs (newly industrialising economies) and ASEAN countries, compounded by growing current account deficits. Questions arose whether this was a sign of the end of East Asia's economic dynamism and whether the 21st century will really be the Pacific century. To make the picture even more gloomy, the larger countries in the region, such as China, Indonesia and Vietnam, have not yet demonstrated their ability to lay down a peaceful and constitutional system of succession which is credible. Due to their size, any domestic instability will have an impact on the region as a whole.

Questions are being raised whether the stability of those countries and of the region can be maintained and whether in the future they will pursue essentially the same development strategies. These factors have been crucial to the region's economic growth and dynamism.

A number of positive developments have occurred in 1996 in the region. The relationship between China and Taiwan has not yet improved, but both have

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been chastened by events in 1995 and 1996 in their relations and have calmed down to a certain extent. Hopefully they will soon start again with their dialogues and cooperations. It has been gladly notified that China has become a full member of CSCAP (Council for Security Cooperation in the Asia Pacific), a very important "second track"¹ institution for the ARF (ASEAN Regional Forum), the only official regional institution for political security dialogues and cooperations in the Asia Pacific. China has accepted the participation by Taiwanese scholars in individual capacity in CSCAP working groups, which are doing the studies and research for ARF. This is the first instance after tensions arose between China and Taiwan in the last several years that China allowed Taiwanese scholars to participate in security dialogues and cooperation "officially".

However, it has to be recognised that the relationship between the two parts across the straits will not be an easy one; and that it is going to be a protracted affair. It is important that the two sides recognise that they themselves are the responsible parties, and that others can only give the encouragement towards peaceful resolution. It is obvious now that interventions by outsiders will only make matters worse and therefore, will not be

conducive to reaching a peaceful resolution. The problem of Chinese sovereignty over Hong Kong also relates to the issue of reunification with Taiwan. It has been argued that a smooth transfer of authority in Hong Kong to the Chinese and a credible implementation of the principles of one country and two systems, as laid down by the Chinese, will be crucial for Taiwan's willingness in the future for reunification.

A smooth process of transfer of sovereignty in Hong Kong will be helpful to raising the confidence in Taiwan on China's proposal for reunification with Taiwan which basically is an extended and deepened one country and two systems proposal. However, the dynamics within Taiwan with the emergence of an "independent movement" and which has experienced some de facto trappings of sovereignty will make the process more complicated. That is why it will take some more time and a longer process of dialogues and cooperation as well as adjustments before something real could be worked out between the two sides across the Straits. While China has to be patient, it should by now be obvious to Taiwan that going the "independence way" in whatever form or method will be a disaster, also indirectly for the region. Hong Kong, having chosen Mr. C.H.Tung as the chief-executive designate, and with the development of a better understanding between UK and China, is looking forward to a transfer that will be more smooth in all aspects than expected a year ago. That confidence is reflected in the development of the economy, land prices, and the influx of people, that have

¹A "second track" institution is a non-governmental body, consisting of academics, government officials in private capacity and others such as representatives of media, politicians, and businessmen, which organises its activities to give support, input and ideas to government institutions, such as the ARF or APEC, with the aim of promoting regional or multilateral cooperation.

returned to or newly residing in Hong Kong. Thus, while there are still some uncertainties on such issues as implementation of the rule of law, basic freedom, especially freedom of expression and of the press, the role and establishment of a Provisional Legislative Council, as well as corruption, Hong Kong has a real chance to do well in the future under Chinese sovereignty. This is the first time that an ex-colony will join a socialist system. Therefore, the adjustment will take some time. The best thing for the international public opinion to do is to give the benefit of the doubt to Mr. Tung to manage the process. In the last instance it is the resilience and dynamism of the Hong Kong people that is going to be the decisive factor for Hong Kong's future. People in the region do have the confidence that they will be able to overcome this challenge.

The other important challenge in the region, which indirectly relates to the China-Taiwan relation, namely US-China relations, have improved quite substantially. This is because at last the US has put strategic relations between the two in a cooperative mode and becomes the basis for across-the-board bilateral relations. Now there are regular exchanges of national security advisors, military leaders, and even meetings between the heads of state. Of course, differences will continue to be there: on human rights, intellectual property, proliferation, and arms sales. But at least, they now have developed instruments and arrangements to deal with those problems. This being the case, the range of problems to be faced in the economic, political, security and human

rights fields can be put in a more balanced perspective and within a strategic structure.

The triangle relationship between the US, China and Japan, has seen some improvements as well, largely because of normalisation in the strategic relationship between the US and China. In addition, this has been caused by Sino-Japanese relations which are considered vital for both. Therefore, despite Japan's sympathy for Taiwan, she has restrained herself and even improved her bilateral economic relations with China. On the other hand, China also showed a great deal of self-restraint about the activities of a Japanese right wing group on the Senkaku or Diaoyutai island in the summer of 1996. These developments suggest that China has put a priority on her own national development and modernisation which is crucial for her own future. A peaceful environment is a prerequisite for this to succeed and therefore has become a first priority in her foreign relations.

In the triangular relations, there is a problem that needs to be solved by the three of them, namely with regard to the renewal of the US-Japan Treaty as announced in the Clinton-Hashimoto Declaration of April 1996.

Partly due to a differing interpretation of the Declaration made by political leaders and analyst, especially in Japan, and partly due to uncertainties about its implementation which remains to be worked out by the US and Japanese defence establishments, China has reacted quite strongly against the renewal of the Treaty. Despite assurances to the contrary by both the US and Japan, China is worried

that Japan is being given a greater military role in the region in the future.

It is important, therefore, that the implementation of the Declaration, especially on the new and concrete participation and role of the SDF, becomes more transparent. In addition, the US and Japan should have more intensive dialogues with China on strategic matters in general and about the new interpretation and implementation of the alliance in particular. In the end this boils down to the question of a strategic presence of the US in this part of the world, and the role of the US-Japan alliance in the region in the future. It is vital for the region and for her own national interest, that the Chinese should appreciate this.

Thus far the Chinese has accepted the alliance as a means to put Japan into a security structure, namely in order not to re-arm herself fully with a nuclear, second strike capability and an ABM (anti ballistic missiles) system.

The Chinese needs to really think about the future role of Japan without the alliance. There is no doubt that she has the financial and technological resources to produce nuclear arms, have a second strike capability and ABMs in a few years time if it so warrants. Those capabilities are the requirements to overcome her vulnerable strategic and geographical location if she decides that she has to defend herself. If this ever is going to happen, it could mean a calamity for the region, because a completely new strategic development will take place in this part of the world.

That is the main reason why ASEAN accepts the alliance as an anchor for stability, peace and economic dynamism in the region's future. That is also the reason why ASEAN would like to share in the burden of Japan, to make the alliance more palatable for her own public opinion. This is also meant to show to the US of the importance of having a forward deployment strategy in the region not only for the region but also, and foremost, for her own national interest, which is to keep this most dynamic economic region peaceful and stable as she already has more than 400 billion US dollars of trade and more than 300 billion US dollars of investment. It is also a region where more than two million US labour are dependent upon. The main anchor of this forward deployment strategy is the US-Japan alliance.

Of course, Japan's increasing role should not create distrust towards the alliance. Therefore, attention should be paid to China's criticism on the implementation of the Declaration in the future by Japan. In the end, the rationale that has existed since the alliance was established in 1950, remains valid. The most important task is to prevent Japan from fully re-arming herself in the future.

Despite the submarine incident, and maybe because of it, the problem of the Korean peninsula and the threat from the North have been somewhat alleviated and there seems to be a possibility of a North-South dialogue again, either according to the four parties' formula (North and South Korea, plus USA and China) or even through direct bilateral contacts and some economic cooperation. The internal eco-

conomic crisis might be the main reason for the North to be willing to talk, but a consolidation of power of Kim Jong-Il could be an additional factor. While a possible conflict in the Peninsula cannot be completely ruled out, an implosion of the North is a real possibility. South Korea, with the assistance of the region, should be better prepared for such a development.

The South China Sea problem has been stabilised under the ASEAN-China dialogues either at the first track level, namely the SOM (Senior Official Meeting) and through bilateral senior official meetings (China-Philippines and China-Vietnam), or at the second track level, namely in the workshops on the South China Sea organised by Indonesia as a means to promote CBM and cooperation between the parties concerned.

Despite the existing overlapping claims and the problem arising from a unilateral interpretation of China's claims according to UNCLOS in the northern (Paracel) part, it is not likely that a military confrontation will develop in the South China Sea. However, it will take some time and a lot of efforts to come to an acceptable solution among all the parties concerned. First are CBMs in the form of technical cooperation, such as on the environment, marine life and resources, weather and climate, safety of navigation. Only as a last step will the question of sovereignty be taken up.

What about the role of Russia, India and the EU in the strategic developments of the Asia Pacific region? In the medium term Russia will be concentrating on her domestic developments, economic and political, and

paying attention mostly to its European part. However, since she is a Eurasian power, and her foreign policy has changed from a complete alignment with the west towards looking more for her national interests in the former USSR states, South Asia, and the Middle East, she should pay greater attention to East Asia in the future. In regard to this, Russia has recently signed a Treaty for political cooperation with China, and tries to cooperate closer with Japan without changing the status of the disputed Northern Territories. Russia is looking for a role to play in East Asia but thus far fails to formulate a rounded policy towards the region.

Because NATO has planned against her will to include some central European countries next year, it is obvious that Russia is eager to strengthen cooperation with East Asia, especially China. For ASEAN, Russia is a great power on her own right, and strategically has to be involved in the region, however limited its role is going to be temporarily.

Russia is definitely an important party in the efforts towards non-proliferation of weapons of mass destruction in the region, and in the establishment of a regional regime for transfer of conventional arms. Economic relations between the region and Russia will become more important in the medium term to both sides, and therefore it makes sense to include Russia in APEC as soon as possible.

India will only have an impact on the strategic development of the Asia Pacific in the longer term although she has shown an eagerness and political will to be in-

volved. This is constrained, however, by her economic policies and her obsession with Pakistan. But it also can be argued, that she needs the involvement in this part of the region partly to be able to overcome that obsession. India is a great country in her own right and is developing fast and therefore, will have a greater impact on the region in the future. This recognition has been the basis for India's acceptance as a dialogue partner of ASEAN and as such has participated in the ARF as a full member since July 1996. She is also expected to be invited to the second ASEM (Asia Europe Meeting) in the UK in 1997.

Europe and East Asia have rediscovered each other, after a few decades of self-absorption with their own region. The globalisation of the economies and the economic dynamism shown by East Asia have been important factors in the rediscovery of this region by Europe. That is why economic cooperation will be leading the cooperation between the two regions, although political-security issues will be included in future dialogues and cooperation, because both factors are now so closely intertwined and mutually reinforcing.

Both parts of the world have a stake in a new global order which is more democratic and equitable, especially in reforming the UN system and its institutions as well in keeping the US more inclined to be multilateral in this new world order. It has to be recognised that the efforts towards global reforms will take a lot of work and time. However, one that immediately comes to mind is in peacekeeping, where both regions can sup-

port and have common regional as well as global interests. Another important task for both sides is the creation of a new regional order, which might be somewhat easier to establish and can be considered as a building bloc towards the emerging new global order.

Both regions can learn from each other in establishing a regional order and regional institutions, especially in activities such as CBMs and preventive diplomacy. ARF can learn from OSCE and vice versa and they should support each other's efforts. Both can also support regional policies that have a global impact as well. EU can support Asia Pacific policies of integrating China into the region and the world, while Asia Pacific can support Europe's policies of involving Russia in Europe by getting her also involved in the Asia Pacific region-positively.

On economic developments in the Asia Pacific, the slowdown in some of the economies is a cyclical phenomenon, especially caused by the downturn of electronics imports in the developed nations due to oversupply, as well as a result of systemic and structural problems which showed that inputs of labor and capital in the production process have reached a limit and that investments in both human and physical infrastructure, cost-efficiency, transparency, R & D, and other measures to raise productivity are becoming more and more important, especially for the NIE's and the ASEAN countries that are rapidly moving up the ladder of economic development, such as Malaysia and Thailand. These problems have been recognised, and although the eight per cent growth for the

East Asian region is still more than triple the average growth in the OECD countries, the East Asian economies are entering into a new phase of development. All other macro economic indicators, such as low inflation, high savings, relatively high productivity growth and efficiency through deregulations and liberalisations are still existing in East Asia and therefore, according to World Bank projection an eight per cent growth can last until the beginning of the 21st century.

It has also been accepted in the region that at the more developed stage there will be a slowdown in growth, and that existing obstacles have to be further removed while more investments have to be made in education and in R & D. There seems to be a political will to do so. Earlier in the early 1980s the criticism was that the region only has "ersatz" capitalism, and it has been shown that this is not the case. In the next five years or so the region should also be able to show that while some of the criticism are valid, there is also a political will to make the necessary adjustments and investments to overcome them.

Such positive responses have been made to criticisms towards APEC, especially on its trade liberalisation agenda which has been agreed upon in the 1996 Manila meetings. There was a lot of sceptics, not only in the region but also in Europe, towards the implementation of the individual action plan (IAP) for liberalisation. This modality of APEC trade liberalisation is based on voluntary actions by individual countries and peer pressure. The Manila Action Plan for APEC (or MAPA) has also laid down some

concrete measures for trade facilitation and in addition has been able to formulate the principles for economic and technical cooperation which is an important part of APEC economies.

The above modality appears to be the only viable one for the time being in view of the heterogeneity of the region and the already established policies towards accelerated unilateral trade liberalisation based on national interest.

In the near future APEC's capability to evaluate and monitor the implementation of the individual action plans (IAPs) will be crucial. In view of this, second track regional institutions such as PECC could make a contribution by providing feedback and new ideas to APEC, including making a critical assessment of IAPs and their implementation. The role of the next chairs (Canada, Malaysia, New Zealand) to bring the process forward is indeed crucial and the past years have shown that they will feel pressured to come up with further advancements of the APEC process.

Domestic political developments in the major countries in the region will have an impact on regional stability and security, due to their influence, size and involvement in the region. The question arises because countries such as China, Indonesia and Vietnam have not had an ordinary and transparent transfer of authority in their recent history. This causes difficulties for others to predict how successful a peaceful transfer will occur in the near future, especially since the leadership is advanced in age and has been in power for some time.

However, there are factors that could contribute to a smooth transition. One is the high growth of the economy, and the growing income of the populace. Another, is the interdependence of the economies, and to a certain extent of political interests, among countries in the region. This new regionalism has brought about a sense of community that gives some sense of solidarity and a kind of regional pressures to do as well as the neighbours. This works as an incentive for East Asia to maintain stability and growth. On the other hand, this also produces a sense of competition to be as good as others in the region.

In the last instance, the problem of domestic development has to be taken into account in international affairs more so than ever because the divide between domestic, regional and international relations and interests has changed with the process of globalisation.

What is ASEAN's interests and role in the strategic developments of the region as described above? First, it has to be stated that an ASEAN-10 to be established in 1977 will have a strategic impact in Asia-Pacific because it will consist of all countries in East Asia except China, Japan, Korea and Outer Mongolia. Despite some possible resulting weaknesses, such as greater difficulties in consensus building, the "ASEAN way" of doing things is likely to be preserved with the incorporation of the three new members.

ASEAN's role and initiative will become more important for the region's strategic development in the future. This is so because great powers are limited in

their ability to initiate a new move or proposal on security arrangements in the region due to mistrusts amongst them. ASEAN-10 will consist of 10 countries that are not particularly committed to the interest of any of the great powers and therefore is in the position to take such initiative. The post-Cold War era in the region needs "new thinking" that may be based on ASEAN's comprehensive or co-operative security idea. ASEAN has pragmatically proposed these ideas since 1971, with the declaration of the Zone of Peace, Freedom, and Neutrality (ZOPFAN) for Southeast Asia in Kuala Lumpur.

Based on ZOPFAN, a Treaty of Amity and Friendship has been signed by ASEAN members in 1976 at the first Summit in Bali to lay down the basic rules of a regional order based on principles of a peaceful resolution of conflicts.

In 1984 a proposal to make Southeast Asia a nuclear weapon free zone has been proposed at the AMM (ASEAN Ministers Meeting), after being dormant since the late 1970s due to the Cambodia invasion by Vietnam, which has preoccupied ASEAN for some time on account of Thailand's sensitivity as a front line state towards the invasion.

However, because of the sensitive negotiations on the Philippine bases between the US and the Philippine's government, the prepared treaty was not ratified at the ASEAN Summit of 1987 in Manila as originally intended. At last, the Treaty was agreed upon at the 1995 Summit in Bangkok, although some objections by the USA and China have yet to be incorporated in the Protocol before they are ready

to endorse it and be willing to sign the Protocol in the future.

The USA has problems with the freedom of navigation through the declared zone. Hopefully this could be solved by using UNCLOS as the legal basis for the guaranteed sea-lines through the declared zone. Consultations have already started with the USA. With the Chinese, with whom some ASEAN members have competing claims on parts of the South China Sea, it will be a little more complicated. However, since both sides are sincere about establishing a strong bilateral relations and in finding a solution, this should not be an insurmountable task. ASEAN should work hard and make the initiative towards resolving the objections from China.

Based on the ideas and the legal framework above, ASEAN has made use of the opportunity in the wake of the end of the Cold War to develop the ARF (ASEAN Regional Forum) as the regional mechanism to promote comprehensive security (or cooperative security) not only in Southeast Asia, but also in the greater Asia Pacific region.

Questions have been asked whether the Northeast Asian region will be given attention to by ASEAN and whether the approaches developed by ASEAN, the so-called "ASEAN spirit" of consensus building, dialogues and non-legal informalities of dealing with each other, can be useful to resolving the Northeast Asian types of problems, especially the Korean Peninsula divide.

Today, the chances towards political solution of the Korean problem are better

than ever before. The role of China is still important and the US has a very important role in relations to the North Koreans. How to convince a reluctant South Korea is also part of the problem, but they have a vested interest not to let the situation in the North deteriorate to the extent that it will implode in the near future as this will be costly as the German reunification has shown.

Now more than ever dialogues and an opening up through cooperation should be pursued. Here the ASEAN model of the willingness to deal with former enemies and to promote a common security strategy can be tried out. A thorough and diligent implementation of KEDO is only a start. In the longer term, the Tumen River development project could become an important tool for cooperative/comprehensive security in the North Pacific.

Some improvements have also happened in the Russo-Japanese problem on the Northern Territories. Ideas of a joint development have been aired. The tensions between the two have subsided and there is the possibility of more normal relations to develop between the two, while the solution of the claims will be put on hold for the longer term.

Relations between China and Russia are improving fast after the treaty of political cooperation has been established. Economic, especially trade relations, as well as military procurements and transfers of technology have become more important for both. Russia and China appear to have the same problems with the US and the West in general: Russia in relations to NATO's expansion to Central

Europe without Russia's consent, and China especially with regard to the Taiwan problem. Japan, in a renewed Alliance with the US, also faces some problems with China. And of course, the normalisation between the two Koreas and Japan has not yet been completed.

Thus, while there are some significant improvements in the North Pacific, which gives encouragement for the establishment of a cooperative/comprehensive security, there are still some real impediments which will take some time to be overcome; that is while dialogues and co-operation have to be promoted in the Northern Pacific. The ARF has to play a role in promoting comprehensive security and its mechanism for the whole Asia Pacific for some time to come. ASEAN's leadership has to understand this very important aspect of the ARF. There have been questions of whether the ARF and especially ASEAN's leadership in it are capable of furthering the process of co-operative security in the Asia Pacific.

First, ASEAN has taken the initiative to promote the process of comprehensive security in the region because it thought that it could provide the "new thinking" which is necessary for the region. Previously, the idea was meant to establish a regional order in Southeast Asia where ASEAN would like to have a say on its own future. After the Cold War, the members of ASEAN have found two things: *First*, the fact that the Asia Pacific region, especially East Asia, has become one region due to economic integration and security linkages; *Second*, the balance among the great powers is such that no one of them can move the process of cooperative

security that will be acceptable to the other great powers.

The ARF was established over three years ago with the aim of promoting CBMs and preventive diplomacy in the Asia Pacific. Whether in the future it could be successful or not will depend on whether ASEAN can balance the interest of some advanced countries to produce immediate concrete results in the field of CBMs and preventive diplomacy on the one hand, and to make the rest, especially China but also ASEAN, comfortable with the pace and development of ARF through step by step, informal approaches based on consensus, on the other.

ASEAN with the support of the international community — especially the Perm-5 of the SC of the UN, has been able to get Vietnam out of Cambodia, and has given encouragement to the establishment of a viable government in Cambodia following years of civil war. Also given its role in promoting CBMs and preventive diplomacy in the South China Sea and its contribution to the reconciliation of the Muslims Moro in the Southern Philippines, it should not be an impossibility for ASEAN to do something for enhancing comprehensive security in the Asia Pacific.

It is obvious, however, that a step by step approach is a necessity, since some countries — including China and some ASEAN countries — has yet to learn how to proceed with these new security developments and strategic issues.

ASEAN leadership will have to make the preparations to be able to handle future cooperation which could become more

complicated. In the meantime there is enough substance to start the process. If the two last meetings organised by the second-track process, on preventive diplomacy and on non-proliferation, provide a guide for the future, the prospects are quite encouraging. They were undertaken in a very thorough and professional way with a real consensus reached by all the participants on how ARF should proceed on those two issues in the near future. The flexibility and pragmatism that ARF have shown thus far might be the most remarkable principles of ASEAN that will make ARF relevant in the region. The importance of the "second-track" process is being recognised by the ARF. And now that Chinese has become a member of CSCAP (Council for Security Cooperation in the Asia Pacific), it is expected that CSCAP can take the lead in undertaking studies, research and develop ideas for the ARF in the future. In that sense further "new thinking" on cooperation can also be examined in CSCAP first, before it could be considered by ARF. Also the limits of security dialogues and cooperation in the region can be tried out first at the second-track level such as in CSCAP. CSCAP can also undertake other kinds of activities for the ARF, such as producing a security outlook for the Asia Pacific, and organising an annual seminar on security and strategic developments in the region.

The process has been a heavy burden for ASEAN, and this will be more so in the future. However, ASEAN has a vested interest in the process and its success, because this will influence the whole strategic environment of ASEAN. Whether or not the region will be able to maintain peace, stability and economic dynamism will partly depend on ARF's success.

The other institutions that are vital to regionalism and the creation of a community in the Asia Pacific is APEC and PECC. While they are actively promoting economic cooperation and regionalism in the region, they have a strategic ideal as well. To be able to appreciate APEC and PECC one only has to be remembered how vital economic dynamism is for the legitimacy of governments in the region. While politically, economic and security cooperation arrangements have to be separated for the time to come, it could be envisaged that at the second-track CSCAP and PECC can cooperate on issues such as environment and its impact on the economy and security of the region as well as other new issues of security such as migration, international crime and money laundering.

ASEAN has to be pushed to move forward the ARF process for the region. It needs all the support and assistance to be able to do so. Criticism alone, while welcomed, will not be adequate.

Reforming the United Nations: What Has Been Achieved?*

Omar Halim

Introduction

TO assess the reforms which have been undertaken at the United Nations, it is important to first discuss what the requirements are for the organisation to effectively perform the task of maintaining global peace and security.

The changing nature of the conflicts which have erupted in the world since the beginning of the 1990s will first be discussed. In this context, in 1991, the Security Council requested the Secretary-General to recommend measures to strengthen the capacity of the United Nations to maintain international peace and security. In response, Secretary-General Boutros Boutros-Ghali proposed four interrelated areas of action which would "offer a coherent contribution towards securing peace in the spirit of the Charter." The areas of action are preventive diplomacy, peacemaking, peacekeeping and post-conflict peacebuild-

ing. He argued that these actions were interrelated in the sense that "preventive diplomacy seeks to resolve disputes before violence breaks out, peacemaking and peacekeeping are required to halt conflicts and preserve peace once it is attained. If successful, they strengthen the opportunity for post-conflict peace-building, which can prevent the recurrence of violence among nations and peoples".¹

Decisions of the Security Council and the organisational reforms of the United Nations Secretariat will then be assessed in terms of increasing United Nations's capacity to meet the expanded challenges.

Threat to Global Peace and Security: Changing Context

Until the end of the 1980s, the threat to global peace and security primarily

* A revised version of a paper presented at the Fourth Germany-Indonesia Dialogue, on *Hegemonial Versus Autonomous Organisation of Security*, held at Ebenhausen, Germany, on 26-28 January 1997. Portions of this article have been extracted or

adapted from a forthcoming book on *Strengthening the United Nations Dispute and Conflict Resolution Mechanism*.

¹The analysis and recommendations of the Secretary General were presented in Boutros Boutros-

took the form of interstate conflicts which threatened the independence, sovereignty and territorial integrity of nation states. The attempt of Iraq to annex Kuwait is the most recent example of such interstate conflict. The disintegration of the Soviet Union -- which took place from late 1980s into the early 1990s -- not only eliminated the support for one side in the proxy war waged against the West in Third World countries, but also unravelled the political units of a number of former communist states themselves. The independence of the Baltic states, Central Asian states and the disintegration of the former Yugoslavia are examples of the latter.

The loss of support by certain Third World countries that had been aligned with the Soviet Union enabled the West, particularly the United States, which was facing budgetary problems itself, to decrease support to the other side as well. Examples of this are Liberia and Somalia. In this context, ethnic, religious and other differences became the basis of intrastate conflicts with parties often fighting over dwindling resources. Thus, in the 1990s, inter-group conflicts within what were formerly called nation states became the primary form of conflicts considered to be threatening global peace and security.

In his *An Agenda for Peace*, Secretary-General Boutros-Ghali noted that the United Nations needed to be cognizant of the changing context. Although the foundation of international relations remained the state -- and thus the need to preserve its independence, sovereignty and territ-

orial integrity -- national leaders needed to take into account the needs of good internal governance and the requirements of a more interdependent world caused by trade, communications and environmental matters. On the other hand, with the increased pressure to change the composition of some states, minority rights had to be ensured through the application of democratic principles. Otherwise, the principle of sovereignty, territorial integrity and independence of states and that of self-determination for peoples will work against each other.

The question was whether intrastate conflicts could endanger global peace and security. The Security Council decided that the repression of the civilian population in northern Iraq (Resolution 688 of April 1991); the reluctance of the military junta in Haiti to restore power to the democratically-elected government of President Jean-Bertrand Aristide (Resolution 940 of July 1994); and the humanitarian suffering caused by internal conflicts in Bosnia and Herzegovina (Resolution 770 of November 1992) and in Somalia (Resolution 794 of December 1992) were threats to international peace and security.

However, in taking its decisions to intervene, the Security Council has been charged, including by Secretary-General Boutros-Ghali, of not treating the threat to peace and security in various parts of the world equally. The perception is that the former Yugoslavia has been given preference, despite the ineffectiveness of the United Nations intervention, over other areas, such as Rwanda, Liberia and Burundi.

Ghali, *An Agenda for Peace* (New York: United Nations, 1992).

Preventive Diplomacy

Article 99 of the United Nations Charter authorises the Secretary-General to "bring to the attention of the Security Council any matter which in his opinion may threaten the maintenance of international peace and security." This means that the Council could be alerted to serious disputes, and be apprised of possible measures which could be taken to prevent the existing situation from deteriorating into serious conflicts. Boutros-Ghali defined preventive diplomacy as "action to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur."² Because of the need for discretion and expediency, the task of preventive diplomacy could more appropriately be relegated to the Secretary-General. Equally important, the Secretary-General should be in a better position to undertake interest-based mediation than the Security Council, since he/she should not have any "national" interest relating to any member state or any contending party, except to assist them in resolving the conflict and reestablishing peace.

For this purpose, the Secretariat of the United Nations needs to be able to gather timely information and undertake accurate analysis of situations that could potentially lead to disputes within member states. These are the prerequisites for early warning of potential disputes and for deciding whether or not the United Nations should attempt to assist. Thus, it does not mean that the United Nations should be involved

in resolving every possible dispute or conflict taking place in every member state. Only disputes or conflicts which could endanger global peace and security should be the focus of the preventive diplomacy of the Secretary-General.

Even if timely information and accurate analysis could be obtained, the Secretary-General, or his/her representative, should know who to deal with, and how, in finding out whether the United Nations could play a role in facilitating the negotiation of, or mediating between the conflicting parties. This is not always easy, since one of the parties is usually the government recognised by the world body, and it is many times difficult to convince the government that the Secretary-General is not interfering in internal affairs of member states.

Peacemaking

Conflict will erupt if mediation, during the preventive stage, fails. But mediation will have to be continued in order to establish a long-term solution to the conflict. Boutros-Ghali has defined peacemaking as "action to bring hostile parties to agreement, essentially through such peaceful means as those foreseen in Chapter VI of the Charter of the United Nations."³

If a peacekeeping operation, as traditionally defined, is required to provide more time and opportunity for peacemaking to succeed, then a peacekeeping operation will have to be established. This was the rationale for the establishment of operations

²See Boutros Boutros-Ghali, *An Agenda for Peace* (New York: United Nations, 1992).

³See Boutros Boutros-Ghali, *An Agenda for Peace* (New York: United Nations, 1992).

such as the United Nations Truce Supervision Organisation (UNTSO) and the United Nations Disengagement Observer Force (UNDOF) in interstate conflicts in the Middle East. This is in line with Article 40 of the Charter which states that "in order to prevent an aggravation of the situation, the Security Council may, before making the recommendations or deciding upon the measures provided for in Article 39, call upon the parties concerned to comply with such provisional measures as it deems necessary or desirable. Such provisional measures shall be without prejudice to the rights, claims, or position of the parties concerned ...". In such a case, the issues to be mediated would depend upon the circumstances surrounding the conflict and the political and strategic requirements of the conflicting parties, but in principle the issues should at least include cease-fire, separation of forces, reduction of forces deployed in the confrontation area, and the linking of the peacekeeping operation to the mediation effort to reach a comprehensive solution.

Peacemaking aimed at a comprehensive settlement is inevitably more complex. The issues to be mediated have to deal with short-term and long-term solutions. In an interstate conflict, issues such as military and security aspects; territorial integrity; location of displaced population; and normalisation of relations will have to be addressed. In an interstate conflict, issues such as the reconciliation among groups, leading to a truly national political and governmental system in which every group can participate; disarmament and demobilisation of militia forces; reestablishment of a law and order system; and reconstruc-

tion of communities in which everyone, including ex-militias, returning displaced persons and refugees, can contribute and benefit; and adequate financial and other support from the international community would have to be central to the comprehensive solution.

Peacekeeping and Peacebuilding

Boutros-Ghali described peacekeeping as "the deployment of a United Nations presence in the field, hitherto with the consent of all parties concerned, normally involving United Nations military and/or police personnel and frequently civilians as well. Peacekeeping is a technique that expands the possibilities for both the prevention of conflict and the making of peace," and peacebuilding as "action to identify and solidify peace in order to avoid a relapse into a conflict."⁴

As mentioned in the previous section, traditional peacekeeping missions were used to keep the peace between contending states, providing the opportunity for a long-term solution to be found. In intrastate conflicts, peacekeeping missions have generally been used to help the contending parties to implement a long-term comprehensive solution which they have themselves reached.

This means that peacemaking would have to precede peacekeeping in intrastate conflicts, such as in Somalia where the United Nations mediated the 27 March 1993 Addis Ababa Agreement. The primary task

⁴See Boutros Boutros-Ghali, *An Agenda for Peace* (New York: United Nations, 1992).

of a peacekeeping mission in the case of intrastate conflict should not be primarily to maintain peace in the country. This is the sole responsibility of the faction and other national leaders, who would have also signed the agreement. There is no way that a foreign peacekeeping force can keep the peace for an indefinite period, if factions want to continue to fight each other. The name of "peacekeeping" in the context of the resolution of an intrastate conflict is therefore a misnomer.

Since the problems emanating from an intrastate conflict are more complex and profound, the focus of the mission should be peacebuilding, once the contending parties decide, irrevocably, to have peace and rebuild their shattered country. Furthermore, since the mandate period of the mission should be short and finite, the objective of the mission's peacebuilding programmes should only be to initiate the institutional and physical rehabilitation of the country. A fully funded comprehensive peacebuilding programme could be a strong incentive for the people and leaders of the country to abide by their commitments to peaceful solution. The post-conflict peacebuilding programmes will be continued and expanded further, after the end of the mandate period, by United Nations agencies and bilateral donors.

Because of the limited tasks conferred on a traditional peacekeeping mission, the main preoccupation of the mission is basically to prevent elements hostile to each other from entering its area of operation. This task is to be performed by a military force. In assisting the resolution of an intrastate conflict, the military component of

the mission should primarily be responsible for monitoring the cease-fire, disarmament, de-mining, and the protection of mission personnel. The main tasks of the mission -- the peacebuilding programme -- are to be performed by civilians.

The mandate of the peacebuilding mission should be clearly defined, i.e. it should enumerate in detail the goals and targets to be attained and the time frame within which to attain them. In mediating the agreement, the United Nations should indicate its limitations, in terms of resources and time frame, assuming the contending parties want the world body to assist them in implementing their agreement. Full financing has to be assured by the organisation, because reliance on voluntary contributions could mean that programmes are not going to be implemented properly, and/or on time, as in the case of Somalia.

If one examines the mandates of the missions dealing with intrastate conflicts in the last eight years, it seems that the Security Council has been making decisions based on the problems which it deemed most important, and not on helping to resolve the long-term solution of the countries concerned. For example, in Somalia, there was no provision for the rehabilitation of administrative, economic and social infrastructure, and even the justice programme (police, judicial and penal) was to be funded from voluntary contributions (which turned out to be inadequate and very late). Another example is UNOMIL's failure to fund and implement peacebuilding programmes for Liberia, despite the knowledge that ECOWAS could not to be expected to do so.

The Council, once it decides to be involved in helping to resolve an intrastate conflict case, needs to aim at a more comprehensive framework of assistance, in order to help the member state get back on its feet and the international development community to continue and expand the post-conflict peacebuilding assistance programmes. Such assistance during the mandate period of the mission is indispensable for solidifying the peace process during its infancy.

Enforcement Action

Enforcement action, where the military force is equipped with weaponry and logistics far superior to those used in traditional peacekeeping missions, has been successful only in interstate conflict cases, such as the Gulf War. In intrastate conflict case, such as in Somalia, enforcement action has failed. The Security Council should therefore be fully aware of the requirements to undertake, and the chances of success of, enforcement action in intrastate conflict cases.

United Nations Reforms: What have been Achieved?

The Security Council and the General Assembly

Changes in Security Council policy started becoming evident when the Soviet Union was being weakened by the process of its disintegration in the late 1980s. Paralysis caused by the political battles of the two superpowers was substituted by unanimity

in decisions taken by the Council with regard to the maintenance of global peace and security. The influence of the remaining superpower, the United States, enabled the Council to forge consensus. During this period, a feeling of euphoria erupted because the Council was perceived as being able to act the way the Charter had envisaged.

In regarding the repression of the Kurds in Iraq; the resistance of the military junta to hand over power to President Aristide in Haiti; and the need to deliver humanitarian supplies to populations affected by internal conflicts in Bosnia and Herzegovina and Somalia as threats to international peace and security, as mentioned earlier, the Council expanded the pre-occupation of the international community to include new types of problems which the world had come to face. It is not clear, however, what common denominator the Council used to derive its interpretation of "threat to international peace and security." It seems that in deciding to intervene in such intrastate disputes or conflicts, additional criteria of "respect for human rights" and "alleviation of human suffering" were added. To resolve the dilemma, the Council, and the General Assembly, need to establish clear set of criteria in order to determine when the United Nations should intervene in intrastate conflict cases.

Disappointments mounted, however, especially after the failure of the costly United Nations intervention in Somalia. Despite the implicit assumption that the Council should act to maintain global peace and security whenever and wherever around the world, its decisions have shown a

tendency to give priority to conflicts in areas which relate directly to national and political interests of its more powerful members. This explains the fact that, despite its expected futility, the United Nations in 1992 became involved in the failed peacekeeping mission in the former Yugoslavia, incurring billions of dollars, while it failed to intervene in Rwanda, and Burundi, where appropriate United Nations intervention could perhaps have prevented the killing of hundreds of thousands innocent human beings.

This raises the question of how impartial the Council has been in dealing with conflicts around the world. Could the Council, particularly its permanent members, consider the need to deal with conflicts from the point of view of how they affect mankind as a whole, instead of how these conflicts relate to their national interests, including the financial burden they would incur? Some might consider this question naive, but as long as the answer is in the negative, the Council is not in a position to perform its functions in accordance with those outlined in the Charter of the United Nations. Since the General Assembly, through Article 35 of the Charter, is also conferred by member states the authority to be involved in the maintenance of international peace and security, could the Assembly not establish a mechanism to advise the Council regarding the priorities of United Nations interventions to resolve conflicts?

The Council has indeed used regional organisations and arrangements through the application of Articles 52 and 53 of Chapter VIII of the Charter. An example is the reliance on NATO and the OSCE to deal

with the question of Bosnia and Herzegovina. However, the Council could play a more direct role in problem areas where the corresponding regional organisations are not in a position to contribute significantly to peacekeeping, such as in Africa.

In deciding whether or not to involve the United Nations in costly peacekeeping and peacebuilding missions, the Council should make sure that the national leaders in intrastate conflicts are serious in making their commitments, e.g. by observing that the cessation of hostilities declared by these leaders is adhered to for a reasonably long period of time, e.g. six months. Any violation would be considered as lack of seriousness on their part. During this testing period, the Secretariat could work out with the contending parties the exact *modus operandi* of what, how and when they, and the United Nations, would implement their agreement. On the part of the United Nations, in working this out with the national leaders, the Secretariat will have consulted intensively with the Council (on the mandate), General Assembly (on the financing), troop and police contributing countries, United Nations agencies and NGOs, in order to ensure that the mission as agreed upon could be fielded in its entirety and in a timely manner. After all parties agreed, the national leaders will be asked to officially express their commitment to the Security Council. It thus becomes a contract between them and the Security Council.

The proposed approach suggests the application of requirement or principle that the contending parties be sincere and serious in their determination to resolve their

conflict. If the Council is satisfied that this condition is met, and that the tasks to be performed by each party in the implementation of the mission's mandate are understood and agreed upon by everyone, there will be much less need for the deployment of costly large military contingents -- thus reducing the cost of the mission significantly -- and fewer misunderstandings which could contribute to major problems in implementation.

Such an approach should also increase the accountability of every party involved in the conflict resolution: the Security Council, the General Assembly, the Secretary-General, the United Nations agencies and, most importantly, the contending parties, since their respective roles are clearly defined in the formulation and implementation of the peace process. This, in turn, should reduce the risk of failure in the implementation of the mandate. Overall, this approach should significantly reduce waste of resources committed by the international community in restoring and maintaining global peace and security.

Members of the General Assembly, who decide on the financing of these costly missions, should also meet their financial obligations by paying in full their assessed contributions. Full financing of the programmes, especially the peacebuilding programmes, should be assured.

United Nations Secretariat

Made possible by the change in international balance of power, Secretary-General Boutros-Ghali not long after assuming his office undertook a major organisational

reform in the political sector of the Secretariat. One reform was the consolidation of the Office of Political and General Assembly Affairs (OPGAA) and the Office of Research and Collection of Information (ORCI) in the Office of the Secretary-General; the Department of Political and Security Council Affairs (DPSCA); the Department of Special Political Question, Regional Cooperation, Decolonisation and Trusteeship (DSPQRCDT), the Department of Disarmament Affairs (DDA) and the Centre Against Apartheid (CAA) into the present Department of Political Affairs (DPA).

Another was the consolidation of the Office of Special Political Affairs (OSPA) in the Office of the Secretary-General, which included the Office of the Military Adviser, and the Field Operations Division (FOD) of the Department of Administration and Management (DAM) into the present Department of Peacekeeping Operations (DPKO). The consolidation between the operational and support staff had been unsuccessfully attempted in the past. The success in doing so definitely facilitated a better coordination by DPKO in supporting the peacekeeping missions.

The third change was the establishment of the Department of Humanitarian Affairs (DHA) with the idea that DHA was to be the focal point of United Nations humanitarian emergency assistance, including in peacekeeping missions. DHA was created in response to the request by the General Assembly made in 1991 for the Secretary-General to appoint an Emergency Relief Coordinator. The Department absorbed the functions performed by the United Nations disaster Relief Office, the

Unit for Special Emergency Programmes and various other offices and units dealing with emergencies and humanitarian assistance programmes. The new Department started with a Complex Emergency Division and a Policy Analysis Branch. The Complex Emergency Division is now organised regionally: Africa I; Africa II; Asia, Europe and Latin America; Newly Independent States and Middle East Sections and a Rapid Response Unit. A Mine Clearance and Policy Unit and the Department also handles demobilisation. The Under-Secretary-General for Humanitarian Affairs, in consultation with Heads of United Nations Agencies within the framework of the Inter-Agency Standing Committee, appoints a Humanitarian Coordinator to coordinate humanitarian matters in the field. DHA also coordinates the United Nations Inter-Agency consolidated appeals for humanitarian assistance.

With regard to performing the functions of preventive diplomacy and peacemaking, DPA is organised according to region into various Divisions: Africa I, Africa II, the Americas, East Asia and the Pacific, Europe, and West Asia. Staff members in these Divisions are tasked to follow developments in the countries assigned to them through information obtained from wire services, newspapers and other sources.

It is argued here that preventive diplomacy and peacemaking by the United Nations could be made even more effective if it would assign staff covering the different countries to the field. The Secretary-General would be able to obtain accurate and timely analysis and recommendations if the required information is obtained by

analysts with a deep understanding of the countries they cover, because they would both know the situation "on the ground" and be well versed in the historical, cultural and socio-political factors. In addition, presence on the ground would enable them to establish contacts with people who could provide the required information and get things done expeditiously. If these staff members are assigned to sub-regional offices, i.e. not in every member country, and provided the necessary logistical support, it might not be more costly than the present arrangement. The presence of United Nations political affairs officers gathering information on the ground is however a sensitive matter for certain member states.

In order to increase its capacity to support the burgeoning number of peacekeeping missions, DPKO has been expanded over the last few years. In its present form, DPKO has a Military Adviser's Office and a Situation Centre, which continuously follow developments in the different mission areas. The Office of Operations is organised according to regions: Africa, Asia and the Middle East, and Europe and Latin America Divisions, and the Electoral Assistance Division. The Office of Planning and Support has a Planning Division, which includes Mission Planning Service, which includes the Demining Unit and Training Unit, Civilian Police Unit, and the Field Administration and Logistics Division.

The role of DHA in coordinating humanitarian assistance is indispensable. However, its effectiveness depends upon the degree of support by the Secretary-General. Owing to the self-sustaining nature of food and

other aids required for humanitarian relief, the source of financing could continue to be voluntary contributions. However, DHA should expand its capacity to be the focal point of peacebuilding programmes as well. The Inter-Agency Standing Committee which the USG/DHA chairs, could be used as the basis to enable DHA to be such a focal point and to coordinate such programmes.

Since it is argued here that missions deployed by the United Nations to assist in the resolution of intrastate conflicts should primarily be peacebuilding in nature, the Deputy Special Representative of the Secretary-General in any such mission should be a person recommended by DHA and supported by the United Nations agencies. This person, however, should report to Headquarters through the Special Representative, unlike the present practice whereby the so-called Humanitarian Coordinator reports directly to the USG/DHA.

Within the so-called Framework of Coordination -- a coordination mechanism involving DPA, DPKO and DHA -- DHA has also established a Humanitarian Early Warning System database which, together with those early warning mechanism of the other two Departments, would strengthen the early warning system at the disposal of the Secretary-General. In addition, a standing Oversight Group of senior officials, which meets weekly, reviews potential and/or ongoing crisis situations and determines whether a particular situation warrants the inter-departmental consultations within the Framework of Coordination.⁵

⁵United Nations, *Report of the Secretary-General on the work of the Organisation* (New York: United Nations, August 1996), 91-92.

In exercising preventive diplomacy, peacemaking or launching peacekeeping or peacebuilding missions, the Secretary-General should carefully select his Special Envoys or Special Representatives. He/she should have full understanding of the role and authority of the United Nations in mediation and negotiation; and he/she should be able to use specific political and diplomatic instruments, including effective political consultation mechanism and procedures, to convince parties to agree to make the necessary compromises conforming to an equitable long-term solution. For this purpose, he/she should have experience, or knowledge, in dealing with leaders from traditional societies when the mission so requires. He/she should also be able to judiciously use public information tools or quiet diplomacy, as the case requires, and mobilise third parties which have influence over the different contending parties. In addition, he/she should possess character and personality which would elicit respect, confidence and credibility from all parties. He should project an air of authority, without being arrogant and abrasive.

For a Special Representative in charge of a peacekeeping/peacebuilding mission, the person should not only possess the above traits, but he/she should also know the practices of the United Nations system. Preferably, he/she should know how to deal with diverse personnel of such a mission, i.e. from the military, police, legal experts, humanitarian and development components.

These characteristics of a Special Envoy or Special Representative of the Secretary-General are worth mentioning here, because

a number of them have lacked some of the crucial characteristics, and have contributed to the failure or ineffectiveness of their missions.

Some Conclusions

The type of issues and problems of disputes and conflicts have expanded in the last eight to ten years, and the United Nations needed to adapt its capability and capacity to deal with the new ones.

Because of the disintegration of the Soviet Union, the Security Council has been able to deal with conflicts that endanger global peace and security with a collective sense of purpose. However, after the failures of some major missions, the Council has tended to be selective in its involvement, focusing on problem areas which affected the national and political interests of its more powerful members, such as former Yugoslavia and Haiti.

Some member states, particularly certain rich ones, have been unwilling or unable to

meet their commitments with regard to the financing of the United Nations, and this has severely affected the Organisation's ability to perform its proper functions in peacekeeping and peacebuilding operations.

The Secretariat has undertaken administrative reforms, which has increased its capacity to deal with resolving disputes and conflicts. There are however further changes required to enable the organisation to be more effective in early warning, preventive diplomacy and peacemaking. The coordination between operations and support units within DPKO could also be improved. The capacity of DHA to be the focal point for peacebuilding programmes in missions needs to be developed and strengthened.

From experiences in Somalia and Liberia, it should be mentioned that the selection of qualified personnel, especially for Special Envoys and Special Representatives of the Secretary-General, is indispensable. Otherwise, it could contribute to the failure or ineffectiveness of the mission.

Book Review

“Political Message” to Indonesia

SHARED HOPES, SEPARATE FEARS: Fifty Years of US-Indonesian Relations, by Paul F. Gardner. Boulder, Westview, 1997, 318 pages. This review article by **M. Abriyanto*** is translated from its originally Indonesian version.

THE US has established relations with Indonesia for quite a long time, namely since Indonesia's independence on 17 August 1945. The relationship has been tumultuous in nature. There were times when it was very friendly, but at other times it became strained, and has even reached its worst state. It is about such accounts that the author of this book wants to convey to readers. The author, Paul F. Gardner is a retired US Foreign Service Officer and has lived in Indonesia for nearly ten years.

Quite a number of important events have occurred in US-Indonesian relations. In this book, those events were presented by focusing on a number of by-phases in the relationship. By and large the most precious historic moments happened during the period before 1966. Furthermore, Gardner does not give an elaborate account concerning US-Indonesian relations under the government of President Soeharto.

However, uniquely Paul Gardner at the final section of this book precisely sheds more light on the issue of “political openness” of the New Order that should have been adopted by the government under the leadership of Soeharto. The bloody 27 July 1996 riots following the seizure of PDI (Indonesian Democratic Party) headquarters to be vacated by Megawati and her followers, should not have been recorded in this book, since the elaboration started from 1945 until 1995, as suggested by the title *Fifty years of US-Indonesian relations* -- which directly or indirectly has become a “political message” of the US government.

This stance is also evident from the foreword written by Wolfowitz, the former US Ambassador to Indonesia, who also suggested economic and political openness in Indonesia in the future. What exactly lies behind the publication of this book, which was published just before the 1997 General Election and National Leadership succession of the General Sessions of the People's Consultative Assembly (MPR)?

As a superpower or even as a “sole global cop” now, after the disintegration of its arch-rival, the Soviet Union which is Russia now, the US tries to maintain its hegemonic position in this world. In

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the Asian region the US makes every effort to impose its superiority on account of the accelerated progress made in various fields in this region. Dynamic achievements are attained by Japan, South Korea, the PRC, particularly in the economic field. However, it has also made the US in its foreign policy very cautious in anticipating events in this region. The political dynamics in Malaysia has made the US soften its stance in Asia.

Malaysia, under Mahathir Mohamad's leadership has shown its characteristic stance lately, i.e. it wants, on the one hand, have friendly relations with any industrialised country, on the other hand it does not wish to be dictated by any advance country in developing its country. This firm Malaysian stand has directly or indirectly been observed by a number of Indonesian middle class elite (among government and private circles). In the past Indonesia used to do the same but that was a thing of the past.

Under the Soekarno regime Indonesia was considered "odd" by many countries, including the industrialised ones. Indonesia's free and active foreign policy at that time was respected by many countries. Hence when the US-Soviet Cold War spread worldwide, Indonesia was considered a potential to be included in.

The US political experience in 1951 when it aided the Sukiman Cabinet with military, economic and technical assistance (which was thereafter known as Mutual Security Act) was proof enough of this major power's concern that Indonesia would tilt to the communist bloc.

Notwithstanding the quite strong protest at that time and the Sukiman Cabinet reshuffle, during the period that followed the US again tried its political adventures through other means. At the time when there were strong demands for equitable distribution of development from the regions, the US also played a role in disrupting the situation. It was compounded by the emergence of revolutionary movements (PRRI in Sumatra and Permesta in Sulawesi) against the central government. In this case the US involvement was quite significant, until the shooting down of an American plane piloted by Allan Pope, who assisted the Permesta rebels and bombed the town of Ambon causing a lot of casualties among civilians (in her book, *Permesta, Pemberontakan Setengah Hati*, Barbara Sillars Harvey said that Pope was a US Air Force pilot with his membership still listed at Clark Air Base, the Philippines).

Strange enough, the shooting down of Pope's plane made the US -- under the administration of Eisenhower -- change its interventionist policy. The US softened its stance and stopped military assistance to PRRI/Permesta.

The Indonesian stance also moderated by pardoning Pope and let him return to his homeland (according to Air Vice-Marshal Boediardjo, who saw Pope off at the airport, "it is natural that the Indonesian Air Force/AURI wanted Pope be detained at Cipinang prison in order to be executed. But President Soekarno used him as card in playing his political game with President John F. Kennedy").

The US "moderate policy" after Pope's case appeared not to bring about the de-

sired result. Indonesia under the Soekarno regime seemed difficult to dictate, so that eventually the communist (abortive) coup broke out on 30 September 1965, which led to the downfall of Soekarno to be replaced by Soeharto. As to this affair, there is a controversy to the effect that the US involvement has been continuing until today. Regarding this case not much is mentioned in this book (similar to the case of Allan Pope).

In point of fact Gardner could have provided more elaborate information about this historic affair. He may decline from giving his personal opinion in this regard, but he may as well bring the data available at the US Department of Foreign Affairs to the surface.

In the case of East Timor, elaboration concerning this matter is minimal. Gardner may hold that the US foreign policy has not changed since 1975. However, he should have pointed out which policy has not changed: is it in the political, military or economic field?

Provided Bill Clinton had been President in 1975, perhaps the East Timor issue would have become the subject of hot debate on the international arena. The Cold War situation across the world did exert a great influence on the dynamics of US-Indonesian relations. However, behind all that, wherever, and in whichever country, foreign relations are established on the basis of each respective country's interest. Accordingly, the US stance since 1945 has also been based on its national interest. Today, no doubt, in view of the trend in economic cooperation which tend to become stronger in the Asia-Pacific and the end of the Cold War, the US does not want

its trade hampered in this region, including Indonesia with its two hundred million of people.

Unfortunately, this book stresses more on the political dimension, but other equally interesting stories concerning US-Indonesian relations for the last fifty years are not addressed to in this book. For example, one may question: how many educational programs are there in the US for Indonesian high school and university students; why are there campuses in the US focusing on Indonesian Studies; how is the program of US military aid to Indonesia; why has the US until 1996 not opened a direct Air Line to Jakarta, and the like?

As to the political dimension proper, this book appears "half-hearted", meaning that it does not present an in depth elaboration on significant events that have happened in US-Indonesian relations for the last fifty years.

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